Bohara Bhandari Bung And Associates LLP
Chartered Accountant

#12-10-89/1, Anagha Complex,
2nd Floor, Above Canara Bank, Sath Kacheri Road,
Raichur - 584101

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INM TECHNOLOGIES PRIVATE LIMITED.
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INM Technologies Private Limited** (hereinafter referred to as the Holding Company), its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group), which comprise the Consolidated Balance sheet as at 31 March 2019, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity and consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (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 and based on the consideration of the reports on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, 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 including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, 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. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Bohara Bhandari Bung And Associates LLP
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

Other information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated 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 in the 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 of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements 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 is responsible for overseeing the financial reporting process of each company.

Bohara Bhandari Bung And Associates LLP
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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 believe that the audit evidence obtained by us along, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Bohara Bhandari Bung And Associates LLP
CA
Firm Regn. No. 008127S/ S-200013
Chartered Accountant

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

As required by Section 143(3) of the Act, based on our audit, 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 have been kept by the Company so far as it appears from our examination of those books and reports of other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act read with relevant rules issued there under and other accounting principles generally accepted in India,

(e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiaries, incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of Holding Company only covered under the act, and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Reporting on the adequacy of the Internal Financial controls over financial reporting of subsidiary company is not applicable to since the

Bohara Bhandari Bung And Associates LLP
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

subsidiary company is exempted from getting report of the auditor vide notification dated June 13,2017.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditors on the separate financial statements and other financial information of the subsidiaries:

i. The Consolidated financial statements disclose the impact of pending litigations if any, on the consolidated financial position of the group.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bohara Bhandari Bung And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S200013)

Bohara Bhandari Bung And Associates LLP
CA
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

CA.Pankaj Kumar Bohara
Partner
(Membership No. 215471)

Place: Raichur
Date: 22.05.2019

Annexure – A to the Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the INM Technologies Private Limited ("the Holding Company) as at for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of the Holding Company only which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Holding Company which are incorporated in India, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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, 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 and 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 with reference to these financial statements.

Bohara Bhandari Bung And Associates LLP
Firm Regn. No. 008127S/ S-200013
Chartered Accountant

Bohara Bhandari Bung And Associates LLP
Chartered Accountant

#12-10-89/1, Anagha Complex,
2nd Floor, Above Canara Bank, Sath Kacheri Road,
Raichur - 584101

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
b) 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 expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and
c) 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 with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls systems over financial reporting with reference to these financial statements and that such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bohara Bhandari Bung And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S200013)

Bohara Bhandari Bung And Associates LLP
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

CA.Pankaj Kumar Bohara
Partner
(Membership No. 215471)

Place: Raichur
Date: 22.05.2019

INM Technologies Private Limited

Part - I -Consolidated Balance Sheet as at

(All amount are in Indian Rupees in Thousands, unless otherwise stated)

PARTICULARS	Note	31.03.2019	31.03.2018
		Audited	Audited
ASSETS			
Non Current Assets			
(a) Property Plant & Equipment	2	152,263.59	164,232.94
(b) Capital Work in progress		-	-
(c) Other Intangible Assets	3	922.19	652.55
(d) Financial Assets		-	-
i)Investments	4	-	-
ii)Loan and Advances	5	-	-
iii)Other Financial Assets	6	4,569.52	3,397.26
(e) Other Non-curent Assets	7	1,005.65	1,663.00
(f) Deferred Tax Assets (net)	16	32,226.55	-
Total Non-Current Assets		**190,987.50**	**169,945.76**
Current Assets			
(a) Inventories	8	3,837.79	646.07
(b) Financial Assets		-	-
(i) Trade Receivables	9	9,435.93	24,552.16
(ii) Cash and Cash Equivalents	10	2,167.72	606.65
(iii) Loan and Advances	11	-	-
(c) Other Current Assets	12	20,102.26	12,158.72
Total Current Assets		**35,543.69**	**37,963.60**
TOTAL ASSETS		**226,531.20**	**207,909.36**
EQUITY AND LIABILITIES			
A) Equity			
(a) Equity Share Capital	13A	15,000.00	15,000.00
(b) Other Equity	13B	(309,032.97)	(198,630.82)
Total Equity		**(294,032.97)**	**(183,630.82)**
B) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i)Long-Term Borrowings		-	
(ii) Other financial liabilities	14	404,114.61	373,580.22
(b)Long Term Provisions	15	2,666.91	1,820.10
(c)Deferred Tax Liability (Net)	16	-	6,248.77
(d)Other Non-current Liability	17	-	-
Total Non-Current Liabilities		**406,781.51**	**381,649.08**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	18	6,498.89	2,281.14
(ii) Other financial liabilities	19	104,690.68	3,495.50
(b) Other Current Liabilities	20	1,689.86	2,049.08
(c) Provisions	21	903.22	2,065.38
Total Current Liabilities		**113,782.65**	**9,891.09**
TOTAL EQUITY & LIABILITIES		**226,531.20**	**207,909.36**

Note Nos 01 to 40 forms an integral part of financial statemer

As per our even report attached

for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Place/Camp : Raichur
Date: 22.05.2019

For and on behalf of the Board of Directors

Vishnukant C Bhutada
Director
DIN No.01243391

A.R.Phani
Managing Director
DIN No.05234035

Sushil Bajaj
Chief Financial Officer
M.No.206501

S.Soumith Kumar
Company Secretary
M.No.ACS-23007

Bohara Bhandari Bung And Associates LLP Chartered Accountants CA Firm Regn. No. 008127S/ S-200013

INM TECHNOLOGIES PVT. LTD.

INM Technologies Private Limited

Part - II - Consolidated Statement of Profit and Loss for the

(All amount are in Indian Rupees in Thousands, unless otherwise stated)

Particulars	Note	Year Ended 31.03.2019	Year Ended 31.03.2018
		Audited	Audited
Revenue			
a) Revenue from operations	22	20,156.68	43,154.68
b) Other operating revenues		-	
		20,156.68	43,154.68
Other income	23	274.41	236.63
Total Revenue		20,431.09	43,391.31
Expenses			
a) Cost of materials consumed	24	2,135.38	-
b) Change in inventory of finished goods, work-in-progress and stock-in trade	25	(1,511.40)	-
c) Employee Benefits Expense	26	61,894.58	41,357.60
d) Depreciation and Amortisation Expense	2	21,998.75	20,191.15
e) Finance Cost	27	30,534.39	25,437.62
f) Other Expenses	28	54,306.84	52,066.13
Total expenses		169,358.55	139,052.50
Profit / (Loss) before exceptional items and tax		(148,927.46)	(95,661.20)
Exceptional (Income) / Expense			
Profit / (Loss) before tax after exceptional item		(148,927.46)	(95,661.20)
Tax expense			
i) Current Income tax		-	-
ii)Deferred Tax		(38,444.71)	(339.88)
		(38,444.71)	(339.88)
Profit / (Loss) for the Period		(110,482.74)	(95,321.32)
Other Comprehesive Income		-	
A)Items that will not be reclassed profit or loss			
- Acturial Gain / (Loss) for defined benefit plan (net)		80.60	125.72
Total Comprehensive income for the year (A+B)		(110,402.14)	(95,195.60)
Basic and Diluted EPS per share of Rs.10/- each			
a) Before Prior Period Adjustment	36	(73.60)	(63.46)
b) After Prior Period Adjustment	36	(73.60)	(63.46)
Note Nos 01 to 40 forms an integral part of financial statements			

As per our even report attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

CA Pankajkumar Bohara
Partner
M.No.215471

Bohara Bhandari Bung And Associates LLP
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

Place/Camp : Raichur
Date: 22.05.2019

For and on behalf of the Board of Directors

Vishnukant C Bhutada	**A.R.Phani**
Director	**Managing Director**
DIN No.01243391	DIN No.05234035
Sushil Bajaj	**S.Soumith Kumar**
Chief Financial Officer	**Company Secretary**
M.No.206501	M.No.ACS-23007

INM TECHNOLOGIES PVT. LTD.

INM Technologies Private Limited
Consolidated Cash Flow Statement for the year ended March 31, 2019
(All amount are in Indian Rupees in Thousands, unless otherwise stated)

Particulars	31.03.2019	31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	(148,927.46)	(95,661.20)
Less: Adjustments		
Interest received	280.62	236.63
Unrealized Exchange Gain	149.09	1.95
Liabilities Written back	-	-
Profit on sale of Fixed Assets	-	-
	(149,357.17)	(95,899.77)
Add: Adjustments		
Provision for Gratuity	907.70	910.49
Provision for Dividend on Cumulative Redeemable Preference Shares	30,534.39	25,437.62
Notional Rent under IND AS	220.40	220.40
Balances written back	108.51	68.29
Depreciation & Amortisation	21,998.75	20,191.15
Operating profit before working capital changes & Other Adjustments	(95,587.41)	(49,071.82)
Adjustments for Increase / (Decrease) in Operating Liabilities		
Trade Payables	4,353.77	(567.75)
Other Financial Liabilities	1,895.19	1,667.26
Other Current Liabilities & Short Term Provisions	(1,532.28)	3,039.44
Adjustments for (Increase) / Decrease in Operating Receivables		
Inventories	(3,191.72)	(227.43)
Trade Receivables	15,116.23	(24,555.21)
Other Non-Current Assets	548.84	(909.97)
Other Non-current Financial Assets	(1,172.27)	(333.67)
Short Term Loans & Advances & Other Current Assets	(6,488.07)	(5,056.78)
	(86,057.72)	(76,015.93)
Less: Income Taxes (Net)	(1,662.79)	(4,300.00)
Net Cash flow from Operating activities	**(87,720.51)**	**(80,315.93)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl.CWIP)	(10,299.04)	(15,827.96)
Sale of fixed assets		-
Capital Advances		-
Interest received	280.62	236.63
Dividend Income		-
Net cash flow (used in) Investing Activities	**(10,018.42)**	**(15,591.33)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Long Term Borrowings	-	-
Share Application money pending allotment	99,300.00	-
Increase in Share Capital		-
Proceeds from Issue of Pref Share Capital	-	95,375.00
Net cash flow from/(Used in) Financing Activities	**99,300.00**	**95,375.00**
Net Increase/(decrease)in Cash and Cash Equivalents	**1,561.07**	**(532.26)**
Cash & Cash Equivalents at the Beginning of the year	606.65	1,138.90
Cash & Cash Equivalents at the End of the year	**2,167.72**	**606.65**
Components of Cash and Cash Equivalents	**2018-19**	**2017-18**
Cash on Hand	173.33	69.46
Cash at Banks		
a) In Current Account	1,994.38	537.20
Exchange gain on Foreign currency in hand	-	(0.01)
Total Cash and Cash Equivalents	**2,167.72**	**606.65**

Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows " as prescribed under Companies (Indian Accounting Standard) Rules, 2015.

As per our report of even date attached
For Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S / S200013

CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Bohara Bhandari Bung And Associates LLP
CA
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

Place/Camp : Raichur
Date: 22.05.2019

For and on behalf of the Board of Directors

Vishnukant C Bhutada
Director
DIN No.01243391

A.R.Phani
Managing Director
DIN No.05234035

Sushil Bajaj
Chief Financial Officer
M.No.206501

S.Soumith Kumar
Company Secretary
M.No.ACS-23007

INM TECHNOLOGIES PVT. LTD.

Consolidated Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of Financial Statements

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

These consolidated financial statements have been prepared on the historical cost convention and on accrual basis, except for the following assets and liabilities which have been measured at fair value wherever applicable.

-Certain financial assets/Liabilities

-Defined benefit Plans

These consolidated financial statements of the group for the year ended March 31, 2019 were approved by the Board of Directors on 22/05/2019.

1.2. Principles of consolidation

The consolidated financial statements relate to INM Technologies Private Limited ('the Company'), and its Subsidiaries, ("the Group"). The Consolidated financial statements have been prepared on the following basis:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, shall be recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it shall be recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Since the Company is having 100% holding in its subsidiary INM Nuvent Paints Private Limited. Therefore Non-controlling interests in the net assets of consolidated subsidiaries is not identified and presented in the consolidated Balance Sheet separately within equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

The Company accounts for its share of post-acquisition changes in net assets of subsidiary

INM TECHNOLOGIES PVT. LTD.

Company, after eliminating unrealised profits and losses resulting from transactions between the Company and its subsidiary to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the subsidiary's Statement of Profit and Loss and through its reserves for the balance based on available information.

1.3. The subsidiaries considered in the Consolidated Financial Statements are as under:

Sl. No.	Name of the Subsidiary	Country	Extent of Holding
1.	INM Nuvent Paints Private Limited (Bangalore)	India	100.00%

1.4. Current Vs Non-Current Classification

All Assets and Liabilities have been classified as current or non-current. Based on the nature of product and activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

1.5. Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.10)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note1.6)
- Recognition of deferred taxes (Note 1.15)
- Estimation of impairment (Note 1.8)
- Estimation of provision and contingent liabilities (Note 1.16)

1.6. Property, Plant and Equipment & Depreciation:

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

INM TECHNOLOGIES PVT. LTD.

iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act-2013, with exception of those assets whose useful life is ascertain by the management.

v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

vi. The Company, based on technical assessment/management estimate, depreciates all items of property plant and equipment over estimated useful lives which may be different from the useful life prescribed in schedule II to the Companies Act. 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the property, plant and Equipment are likely to be used.

vii. The property, plant and Equipment's residual values, useful life are reviewed at each financial year and adjusted prospectively, if appropriate. The useful lives and residual values are determined by the management at the time the Property, Plant and Equipment is acquired and reviewed periodically, including at each financial year end. These lives are based on historical experience with similar property, plant and Equipment as well as anticipation of future events.

Sl. No	Name of Asset	Useful Life of the asset
1	Generator	10 years
2	Air Condition	10 years
3	Electrical Installation	10 years
4	Water Storage Tank	05 years
5	Computer	03 years
6	Furniture & Fittings	10 years
7	Office Equipment	05 years
8	Pollution Control Equipment	10 years
9	Lab Equipment-Local	10 years
10	Fire Extinguisher	10 years

1.7. Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Intangible Assets Under Development.

1.8. Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

INNI TECHNOLOGIES PVT. LTD.

Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

1.9. Inventory:

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on FIFO basis

1.10. Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution plans

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Presently, the gratuity is non-funded.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

1.11. Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement Profit & Loss on a straight-line basis over the lease term.

INNI TECHNOLOGIES PVT. LTD.

1.12. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of products:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

Other Income

Interest Income is recognised using the Effective interest rate (EIR) method.

Dividend income is recognised when right to receive is established.

Foreign Currency Transactions/Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the Transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised in the Statement of Profit and Loss in the period in which they arise as income or as expense.

1.13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

INM TECHNOLOGIES PVT. LTD.

1.14. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I)Financial Asset:

Initial recognition and measurement

All financial instruments are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

-Amortised cost

-Fair value through profit and loss (FVTPL)

-Fair value through other comprehensive income (FVOCI).

Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

-Trade receivables

-Loans

-Other financial assets

Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Financial Assets at fair value through profit or loss (FVTPL)

Financial Asset are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognised in the statement of Profit & Loss.

INM TECHNOLOGIES PVT. LTD.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value through Profit & Loss Account, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

De-recognition of Financial Assets:

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for De-recognition. On De-recognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be re-cognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial Assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial Liability

Initial recognition and measurement

Financial liabilities are recognised initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

-Borrowings from banks

-Borrowings from others

INM TECHNOLOGIES PVT. LTD.

-Trade payables

-Other Financial Liabilities

Derecognition:

A financial liability shall be de-recognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

1.15. Taxes on Income:

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss account as current tax. The Company recognises MAT credit available as an asset to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as "MAT Credit Entitlement".

1.16. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liabilities are not recognised but are disclosed in the notes.

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of the pending matters with accuracy.

1.17. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees, if any.

INM TECHNOLOGIES PVT. LTD.

1.18. Government Grant

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented in the balance sheet by setting up the grant as deferred income. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

1.19. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.20. Other significant accounting policies are set out under "Significant Accounting Policies given in the Company's Standalone financial statements.

<u>Standards Issued but not Effective</u>

a) Recent accounting developments

Ind AS 116 – Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 'Leases' (New Revenue Standard), which replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e.leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt the standard, effective from April 1, 2019. The adoption of this standard is not expected to have a material impact on its standalone financial statements.

Application of above standard are not expected to have any significant impact on the Company's Financial Statements.

HMH TECHNOLOGIES PVT. LTD.

INM Technologies Pvt Ltd
(All amount are in Indian Rupees in Thousands, unless otherwise stated)

2. Property Plant & Equipment

Fixed Assets	Gross Block				Accumulated Depreciation			Net block	
	As at 1st April 2018	Additions	Deletions	As at 31/03/2019	As at 1st April 2018	For the year	As at 31/03/2019	As at 31/03/2019	As at 31/03/2018
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets									
i) Owned									
a) Generator	1,505.58	-	-	1,505.58	292.72	143.03	435.75	1,069.83	1,212.86
b) Air Condition	2,125.93	750.92	-	2,876.85	408.10	461.33	869.43	2,007.41	1,717.83
c) Electrical Installation	9,098.87	240.75	-	9,339.62	1,768.48	874.40	2,642.88	6,696.74	7,330.39
d) Water Storage Tank	459.05	-	-	459.05	174.02	87.22	261.24	197.81	285.03
e) Computer	8,532.24	1,481.98	-	10,014.22	4,700.16	2,551.70	7,251.86	2,762.36	3,832.08
f) Furniture & Fittings	21,794.96	801.63	-	22,596.59	4,167.46	2,114.21	6,281.67	16,314.91	17,627.50
g) Office Equipment	752.14	184.25	-	936.39	196.65	151.84	348.49	587.90	555.49
h) Pollution Control Equip.	26.99	-	-	26.99	5.22	2.56	7.79	19.20	21.76
i) Lab Equipments-Local	27,786.03	2,754.14	-	30,540.17	5,184.52	2,920.99	8,105.51	22,434.66	22,601.50
j) Lab Equipments-Import	131,025.40	3,671.82	-	134,697.22	22,015.83	12,542.99	34,558.81	100,138.40	109,009.57
k) Fire Extinguisher	48.21	-	-	48.21	9.26	4.58	13.84	34.37	38.95
	203,155.38	**9,885.49**	-	**213,040.87**	**38,922.43**	**21,854.85**	**60,777.28**	**152,263.59**	**164,232.94**
3. Other Intangible Assets	-	-	-	-	-	-	-	-	-
a)Computer Software	684.76	413.55	-	1,098.30	32.21	143.90	176.11	922.19	652.55
Total	**684.76**	**413.55**	-	**1,098.30**	**32.21**	**143.90**	**176.11**	**922.19**	**652.55**
	-	-	-	-	-	-	-	-	-
Sub-Total (A)	**203,840.13**	**10,299.04**	-	**214,139.17**	**38,954.64**	**21,998.75**	**60,953.39**	**153,185.78**	**164,885.49**

INM TECHNOLOGIES PVT. LTD.

2. Property Plant & Equipment 2017-18

Fixed Assets	Gross Block				Accumulated Depreciation			Net block	
	As at 1st April 2017	Additions	Deletions	As at 31/03/2018	As at 1st April 2017	For the year	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
	Rs.	Rs.	Rs.	-	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets									
i) Owned	-	-	-	-	-	-	-	-	-
a) Generator	1,505.58	-	-	1,505.58	149.69	143.03	292.72	1,212.86	1,355.89
c) Air Condition	2,125.93	-	-	2,125.93	206.14	201.96	408.10	1,717.83	1,919.79
a) Electrical Installation	9,098.87	-	-	9,098.87	904.09	864.39	1,768.48	7,330.39	8,194.78
b) Water Storage Tank	459.05	-	-	459.05	86.80	87.22	174.02	285.03	372.25
f) Computer	8,532.24	-	-	8,532.24	2,195.63	2,504.53	4,700.16	3,832.08	6,336.61
g) Furniture & Fittings	21,644.81	150.15	-	21,794.96	2,107.20	2,060.26	4,167.46	17,627.50	19,537.61
h) Office Equipment	752.14	-	-	752.14	53.75	142.91	196.65	555.49	698.39
p) Pollution Control Equip.	26.99	-	-	26.99	2.66	2.56	5.22	21.76	24.33
q) Lab Equipments-Local	27,429.66	356.36	-	27,786.03	2,559.66	2,624.86	5,184.52	22,601.50	24,870.00
r) Lab Equipments-Import	116,337.49	14,687.90	-	131,025.40	10,486.01	11,529.82	22,015.83	109,009.57	105,851.48
t) Fire Extinguisher	48.21	-	-	48.21	4.68	4.58	9.26	38.95	43.53
Total (A)	**187,960.96**	**15,194.42**	-	**203,155.38**	**18,756.30**	**20,166.13**	**38,922.43**	**164,232.94**	**169,204.66**
3. Other Intangible Assets	-	-	-	-	-	-	-	-	-
a)Computer Software	51.22	633.54	-	684.76	7.18	25.03	32.21	652.55	44.03
	51.22	**633.54**	-	**684.76**	**7.18**	**25.03**	**32.21**	**652.55**	**44.03**

IMM TECHNOLOGIES PVT. LTD.

INM Technologies Private Limited
(All amount are in Indian Rupees in Thousands, unless otherwise stated)

4 Investments

Particulars	As at 31.03.2019	As at 31.03.2018
Investment in Eqity shares (10,000 equity shares of Rs.10/- each in INM Nuvent Paints Pvt Ltd)	-	-
Total	-	-

5 Loan and Advances

Particulars	As at 31.03.2019	As at 31.03.2018
INM Nuvent Paints Pvt Ltd (Wholly owned subsidairy) (The Company, during the year, has sanctioned a loan of Rs. 18500000 to its wholly owned subsidiary INM Nuvent Technologies Pvt Limited at 10% interest per anumn. The Company has complied all formalities with ROC in this regard and passed necessary resolutions for the same.) **Interest & Repayment :** Interest shall be accrued on compounding basis every year and total outstanding including interest accrued upto 31.03.2024 shall be received in 12 equated quarterly installments starting from 01.04.2024)	-	
Total	-	-

6 Other Financial Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Advances other than capital advances		
Security Deposit (unsecured, considered good) (Refer Note No 29.)		
a) Rental deposits	4,115.77	3,069.22
b) Deferred Revenue Expenditure	-	-
b) Miscellaneous Deposits	453.75	328.04
	4,569.52	**3,397.26**

7 Other Non- Curent Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Advances		
a) Unsecured, considered good (Refer Note No 29.)	929.20	1,379.12
b) Pre-Paid Expense	76.45	283.88
TOTAL	**1,005.65**	**1,663.00**

8 Inventories

Particulars	As at 31.03.2019	As at 31.03.2018
a) Chemical & Raw Material	1,833.64	646.07
b) Fininshed Goods	1,511.40	-
c) Packing materials	492.75	-
TOTAL	**3,837.79**	**646.07**

9 Trade Receivable

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good	9,435.93	24,552.16
TOTAL	**9,435.93**	**24,552.16**

Of the above trade receivables from related parties are given below :

Particulars	As at 31.03.2019	As at 31.03.2018
a) from Shilpa Medicare Ltd (Holding Company)	8,402,011.00	24,512.77
b) from Shilpa Therapatics Pvt Ltd	192,222.00	
TOTAL	**8,594,233.00**	**24,512.77**

INM TECHNOLOGIES PVT. LTD.

10 Cash and Cash Equivalents

Particulars	As at 31.03.2019	As at 31.03.2018
a) Cash on hand	173.33	69.46
b) Balance with banks in current account	1,994.38	537.20
TOTAL	**2,167.72**	**606.65**

11 Loan and Advances

Particulars	As at 31.03.2019	As at 31.03.2018
INM Nuvent Paints Pvt Ltd (Wholly owned subsidiary Company)	-	-
		-
TOTAL	-	-

12 Other Current Assets

Particulars	As at 31.03.2019	As at 31.03.2018
a) Pre-Paid Expense	597.41	403.69
b) GST - Input (Net)	9,520.21	2,368.77
c) IGST refund receivable	-	4,006.80
d) Advance to Suppliers / others (Refer Note No 29.)	3,324.64	730.10
e) Advance to Employee for Expense	-	-
f) Other advances recoverable in cash or kind	697.21	349.37
g) TDS deducted by Party	5,962.79	4,300.00
TOTAL	**20,102.26**	**12,158.72**

14 Other Financial Liability

Particulars	As at 31.03.2019	As at 31.03.2018
a) 8% Non convertible Preference share capital (issued to Shilpa Medicare Ltd 32537670 shares of Rs.10 each)	325,376.70	325,376.70
b) Accumulated dividend on Redemable Cumulative Pref Shares.	66,381.31	40,351.18
c) DDT payable on Pref Shares dividend	12,356.59	7,852.34
TOTAL	**404,114.61**	**373,580.22**

15 Long Term Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Gratuity	2,666.91	1,820.10
TOTAL	**2,666.91**	**1,820.10**

16 Deferred Taxes (Net)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Deferred Tax Liability	6,556.64	6,449.39
(On account of timing differences due to depreciation)		
b) Deferred Tax Asset	(38,783.19)	(200.62)
(Effect of expenditure debited to statement of Profit and Loss Account in the current year but allowable for tax purposes in the subsequent years.)		
TOTAL	**(32,226.55)**	**6,248.77**

17 Other Non-current liability

Particulars	As at 31.03.2019	As at 31.03.2018
a) Preference share capital	-	-
b) Creditors for Capital Goods (Refer Note No 29)	-	-
	-	-

18 Trade Payables (refer note no 29)

Particulars	As at 31.03.2019	As at 31.03.2018
a)Total outstanding dues of creditors registered under micro enterprises and small enterprises (MSME) Act	147.80	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,228.51	2,281.14
c) Trade Payables -others	122.58	-
TOTAL	**6,498.89**	**2,281.14**

INM TECHNOLOGIES PVT. LTD.

19 Other Financial Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
a) Application Money on Non Cumulative Preference Share Capital	99,300.00	-
b) Others (Shilpa Medicare Limited)	632.78	570.00
c) Employee Benefit Liability	4,757.90	2,925.50
	104,690.68	**3,495.50**

20 Other Current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
a) Tax deduction at Source	1,447.99	1,883.97
b) Professional Tax payable	14.00	13.51
c) Advance from Customers	14.75	-
d) Provident Fund payable	213.12	151.59
TOTAL	**1,689.86**	**2,049.08**

21 Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
a) Provision For Audit Fee	81.20	66.00
b) Provision For Expenses	807.56	1,995.82
c) Provision For Gratuity	14.46	3.56
TOTAL	**903.22**	**2,065.38**

22 Revenue from Operations

Particulars	As at 31.03.2019	As at 31.03.2018
a) Sale of Product	3,556.68	154.68
b) Income From PDC	16,600.00	43,000.00
TOTAL	**20,156.68**	**43,154.68**

23 Other Income

Particulars	As at 31.03.2019	As at 31.03.2018
a) Others	274.41	236.63
TOTAL	**274.41**	**236.63**

24 Cost of Material Consumed

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Stock		
Add: Purchase	3,494.03	
Less: Closing Stock	1,358.65	
	2,135.38	-

25 Changes in inventories of ,finished goods,traded goods and work-in-process

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Inventories		
(i) Finished goods	-	-
(ii)Work-In-process	-	-
Closing Inventories	-	-
(i) Finished goods	-	
(ii)Work-In-process	1,511.40	
(Increase) / decrease in inventory	**(1,511.40)**	-

26 Employee Benefits Expense

Particulars	As at 31.03.2019	As at 31.03.2018
a) Salaries & Wages	53,762.43	33,689.13
b) Contribution To Provident Fund/Labur Welfare Fund	1,229.05	921.25
c) Staff Welfare Expenses	1,056.00	897.34
d) Directors Remuneration	4,939.40	4,939.40
e) Contribution To Gratuity	907.70	910.49
TOTAL	**61,894.58**	**41,357.60**

INSA TECHNOLOGIES PVT. LTD.

27 Finance Cost

Particulars	As at 31.03.2019	As at 31.03.2018
a) Dividend on Cumulative Redemable Pref Shares	30,534.39	25,437.62
b) Interest on Loan from INM Technologies Pvt Ltd	-	-
TOTAL	**30,534.39**	**25,437.62**

28 Other expense

Particulars	As at 31.03.2019	As at 31.03.2018
a) Power And Fuel	3,549.40	2,946.85
b) Repairs & Maintenance	-	
i)Buildings	1,562.76	1,032.45
ii)Machinery	1,745.32	903.34
iii) Others	120.11	36.09
c) Rent	5,424.30	4,882.90
d) Advertisement expense	325.40	507.78
e) Incorporation Expenses	-	24.84
f) Traveling And Conveyance	1,707.54	703.36
g) Auditor Fees	83.00	72.50
h) Research & Development Expenses	32,651.09	36,651.88
i) Transportation Charges	267.56	131.95
j) Insurance	125.86	84.17
k) Bank Charges	163.16	233.64
l) Bad Debts / Accounts Written-Off	121.31	68.29
m) Exchange Fluctuation	(35.63)	(98.04)
o) Professional & Consultancy	1,934.23	773.31
p) Miscellaneous Expenses	4,459.94	3,016.76
q) Patent Application fees	101.48	94.06
TOTAL	**54,306.84**	**52,066.13**

29 Payment to Statutory Auditors *

Particulars	As at 31.03.2019	As at 31.03.2018
a) Statutory Audit	65.00	47.50
b) Tax Audit	-	15.00
c) Certification	13.00	10.00
d) Others	5.00	-
TOTAL	**83.00**	**72.50**

* Excluding Goods & Service Tax

30 Contingent Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
a) Bank Guarantees. / Corporate Guarantee/letter of Comfort.	-	-
b) Claims aginst the Company not acknowledege as debts.	-	-
c) Estimate amount of contract remain to be executed on account of capital commitments not provided for. (Capital Commitments)	-	-
TOTAL		-

31 Balances of Trade Receivables / Trade payables / Advances and Security deposits are subject to Balance Confirmation.

32 In the opinion of the Board, all assets other than fixed assets, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

33 The Company has received intimation from couple of "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end/ payable under this act are disclosed.

34 As the company is operating in one segment, segment reporting is not applicable.

35 Cash Flow stetement has been prepared under Indirect method as per IND AS-7 "Statement of Cash Flows" as prescribed under Companies(accounting Standard) Rules, 2006.

INM TECHNOLOGIES PVT. LTD.

36 Additional Information to Consolidated Financial Statements

Name of the entity in the Group	Net assets i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent -Indian : **INM Technologies Private Limited**	-98.28	(288,986.99)	-95.46	(105,463.98)	100	80.60	-95.45	(105,383.39)
Subsidiaries								
Indian 1 **INM Nuvent Paints Pvt Limited** 2 3	1.68	-4945.98	-4.54	-5018.76	-	-	-4.55	-5018.76
Foriegn 1 2 3								
Minority Interests in all subsidiaries								
Associates (Investment as per the equity method)								
Indian 1 2 3								
Foriegn 1 2 3								
Joint Ventures (as per proportionate consolidation/ investment as per the equity method)								
Indian 1 2 3								
Foriegn 1 2 3								

INM TECHNOLOGIES PVT. LTD.

37 Related Party Transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below

1 Key Management Personnel

Dr. A.R Phani	Managing Director
Vishnukant C Bhutada	Director
Sushil Bajaj	Chief Fiancial Officer
S.Soumith Kumar	Company Secretory

2 Enterprises having common Directors/Board of trustees

Shilpa Medicare Limited	Holding Company
INM Nuvent Paints Private Limited	Subsidiary Company
Shilpa Therapatics Private Limited	Subsidiary of Holding Company
Shilpa Foundation	Trust of Holding Company

SL No	Name of related Party	Relationship	Discriptions of Transaction	2018-19 Income/(expense) other transaction	2018-19 Balance at 31.03.2018	2017-18 Income/(expense) other transaction	2017-18 Balance at 31.03.2018
a)	**Remuneration paid to Key Management Personnel**						
	Dr.A.R. Phani	Director	Remuneration	4,939.40		4,939.40	
			Travelling Expense Reimbursement	72.00		521.02	14.99
	S.Soumith Kumar	Company Secretory	Salary	180.00		180.00	
b)	**Enterprises having common Directors**	Holdong Company					
i	Shilpa Medicare Limited		Purchase	3,938.18		959.26	-
			Sales/Service	19,650.58		46,818.67	
			Expense incurred(net)	541.94		(1,040.00)	
			Trade Payable\Other finacial Liability	-	1,222.07	-	570.00
			Trade receivable	-	8,984.80	-	24,512.77
			8% Preference Share Capital issued (	-	325,376.70	95,375.00	325,376.70
			Dividend on Pref Share Capital for the	26,030.14	66,381.31		
			Application money received -Non Cur	99,300.00	99,300.00		
ii	Shilpa Therapatics Pvt Limited		Sales	192.22		-	-
			Trade receivable	-	192.22	-	-
iii	Shilpa Foundation		Sales	13.28		-	-
			Trade receivable	-	-	-	-

INM TECHNOLOGIES PVT. LTD.

38 Earning per share

Particulars	As at 31.03.2019	As at 31.03.2018
Net Profit after taxes	(110,402,144)	(95,195,598)
Weighted Average No of Equity shares	1,500,000.00	1,500,000.00
Face Value	10.00	10.00
Basic & Diluted EPS	(73.60)	(63.46)

39 The Company has taken its R&D facility premises land under Operating lease agreement from Sri T M Rajkumar (HUF). Total rental paid during the year under Operating leases is Rs.4718450/- (Previous year:Rs. 42,89,500 /-) which has been disclosed as rent paid.

Monthly Rent	As at 31.03.2019	As at 31.03.2018
Due within one year	3,339.60	3,744.40
Due later than one year and not later than five years	-	3,339.60
TOTAL	**3,339.60**	**7,084.00**

40 For other notes, refer Standalone Financials of INM Technologes Private Limited and INM Nuvent Paints Pvt Limted

As per our even report attached
for **Bohara Bhandari Bung & Associates LLP**
Chartered Accountants
Firm's registration No.008127S/S200013

Bohara Bhandari Bung And Associates LLP
CA
Firm Regn. No. 008127S/ S-200013
Chartered Accountants

CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Place/Camp : Raichur
Date: 22.05.2019

For and on behalf of the Board of Directors

Vishnukant C Bhutada
Director
DIN No.01243391

A.R.Phani
Managing Director
DIN No.05234035

Sushil Bajaj
Chief Financial Officer
M.No.206501

S.Soumith Kumar
Company Secretary
M.No.ACS-23007

INM TECHNOLOGIES PVT. LTD.

INM Technologies Private Limited
(All amount are in Indian Rupees in Thousands, unless otherwise stated)

13A Share Capital

Particulars	INM Technologies Pvt Limited	INM Nuvent Paints Pvt Limited	Elimination	Consolidated 31.03.2019	Consolidated 31.03.2018
Authorised share Capital					
Equity shares					
1500000 Rs. 10/- each par value	15,000.00	1,000.00	(1,000.00)	15,000.00	15,000.00
	15,000.00	1,000.00	(1,000.00)	15,000.00	15,000.00
Issued subscribed & fully paid up					
Equity shares					
15,00,000 (PY15,00,000) Rs. 10/- each par value	15,000.00	100.00	(100.00)	15,000.00	15,000.00
TOTAL	**15,000.00**	**100.00**	**(100.00)**	**15,000.00**	**15,000.00**

(a) Reconciliation of the number of shares.

Particulars	As at 31.03.2019		As at 31.03.2018	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the				
Equity Shares	1,500,000	15,000.00	1,500,000	15,000.00
Shares issued during the year				
Equity Shares				
Shares outstanding at the end of the year	**1,500,000**	**15,000**	**1,500,000**	**15,000**

(b) Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2019		As at 31.03.2018	
	Nos	% of Holding	Nos	% of Holding
1) Shilpa Medicare Ltd	1125000	75	1,125,000	75
2) Dr.A.R. Phani	375000	25	375,000	25

Rights and Restrictions attached to Equity Shares

The Company has issued Equity shares having face value of Rs.10/- per share. Each Share Holder is eligible for one vote per share. In case dividend is proposed by the Company it will be subject to the approval of the Board of Directors. In the event of liquidation, the equity share holders are eligible to receive balance assets remaining after repayment to all the preferential share capital holders, in the in proportion to their equity holding.

INM TECHNOLOGIES PVT. LTD.

13B.Statement of Changes in Equity

Particulars	2018-19			2017-18		
	Retained Earnings	**OCI Acturial Gain / (Loss) on Defined Benefit Plan**	**Consolidated 31.03.2019**	**Retained Earnings**	**OCI Acturial Gain / (Loss) on Defined Benefit Plan**	**Consolidated 31.03.2018**
Balance at the beginning of the Reporting period as at 01.04.2018	(198,756.54)	125.72	**(198,630.82)**	(103,435.22)		(103,435.22)
Total Comprehensive income for the year	(110,482.74)	80.60	**(110,402.14)**	**(95,321.32)**	125.72	**(95,195.60)**
Dividends	-	-	-			-
Transfer to retained earning	-	-	-			-
Any other change (to be specified)	-	-	-			-
Balance at the end of the reporting period as at 31.03.2019	**(309,239.28)**	**206.32**	**(309,032.97)**	**(198,756.54)**	**125.72**	**(198,630.82)**

IMM TECHNOLOGIES PVT. LTD.