Corporate information

INNOCORP Limited ('the company') is the business of Manufacturing (Plastic products) . The Company was incorporated on 21st September, 1994 in Hyderabad and listed on BSE dated 08 May, 2000].

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on 28th May, 2019.

Significant Accounting Policies

1 Basis of preparation of financial statements

These financial statements have been prepared in accordance Indian Accounting Standards (Ind As) according to the notification issued by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('the act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2017.

1.1 Use of Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial Statements, the reported amount of revenues and expenses during the reported period and disclosure of contingent liabilites. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.2 Revenue recognition

Sale of goods:

With Effective from April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative catchup method. The effect of initially applying this standard is recognised at the date of initial application (i.e .April 1, 2018).The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated i.e. the comparative information continues to be reported under Ind AS 18. The impact of adoption of the standard on the financial statements of the Company is insignificant.“Revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.“Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

1.3 Property, plant and equipment & Capital work-in-progress

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

1.4 Depreciation

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The useful lives of assets are periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets. Assets costing Rs. 5,000/-and below are depreciated over a period of one year

1.5 Foreign Currency Transactions

The company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise.

1.6 Taxes on Income

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

a) Current income tax: Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred tax: Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 Earning Per Share (EPS)

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares used in outstanding during the period.

1.8 Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount from non financial assets may not be recoverable. If any such indication exists, then the asset’s recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash generating unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss.

1.9 Provisions and Contingent Liabilities

A Provision is recognized if, as a result of past event, the Company has a present legal obligation that is reasonbly estimable, and it is probable that an outflow of economic benefits will be required to settle the present obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.10 Financial Instruments

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

Initial Recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Measurement

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved both by collectiong contractual cash flows on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding and selling financial assets.

Financial assets at fair value through Profit and Loss

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs that are directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

1.11 Financial liabilities

Financial liabilities are classified as measured at amortised cost or Fair Value through Profit and Loss Account (FVTPL). A financial liability is classified as at FVTPL if it is classified as held fortrading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

1.12 De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Company's cash management."

Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

1.14 Related Party transactions

Sr. No.	Name of the Related Party	Relationship
1	Venkata Garapati Siva Sundara Prasasd	Chairman & Executive Director
2	Venu Garapati	Managing Director (Key Managerial Person)
3	Saraswathi Kovelamudi	Whole Time Director
4	Sahu Garpati	Chief Financial Officer (Key Managerial Person)
5	Venkaiah Doniparthi	Independent Director
6	Subrahmanyam Cherukuri	Independent Director
7	Naga Mohan Babu Mangalapurapu	Independent Director
8	Karishma Hemraj Bhandari	Company Secretary (Key Managerial Person)
9	Inno Projects Private Limited	Entity in which Director is related
10	Innovations Payment Services Limited (Formerly Known as Innovations Capital Services Limited)	Entity in which Director is related
11	Innocorp Global Private Limited (Formerly Known as Innovations Show Rooms Private Limited)	Entity in which Director is related

B. Related party Transactions for the year ended March 31, 2019:

Amount In Rs.

S.No.	Nature of transaction/ relationship/ major parties	Transactions		Balance Outstanding	
	Particulars	2018-2019	2017-2018	2018-2019	2017-2018
		Amount	Amount	Amount	Amount
	Inno Projects Private Limited				
	Loan Outstanding	-	-	-	283,653
	Innovations Payment Services Limited				
	Loan Outstanding	-	-	-	130,105
	Innocorp Global Private Limited				
	Loan Outstanding	-	-	-	1,359
	Sahu Garapati				
	Sale of fixed assets	-	1,365,630	-	-

C. List of Transactions with directors and key management personnel:

Amount In Rs.

Particulars	Remuneration Paid in FY 2018-19	Remuneration Paid in FY 2017-18
Saraswati Kovelamudi	-	660,000
Venkata Garapati Siva Sundara Prasasd	-	780,000
Sahu Garapati	-	540,000
Venu Garapati	-	504,000

Remuneration paid to non-executive directors and independent directors

Amount In Rs.

Particulars	Remuneration Paid in FY 2018-19	Remuneration Paid in FY 2017-18
Nil	-	-

1.15. Earning per share

Particulars	Remuneration Paid in FY 2018-19	Remuneration Paid in FY 2017-18
Profit (Loss) for the year	(9,882,929)	(6,841,693)
Weighted average no.of Equity shares	7,941,400	7,941,400
Basic earning per share	(1.24)	(0.86)
Diluted earning per share	(1.24)	(0.86)