



INNOVATIVE FOODS LIMITED

32ND ANNUAL REPORT 2020-21



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P Manoj Kumar	(DIN: 03527923)	Whole-Time Director
Mr. Pranav Kumar Suresh	(DIN: 08380082)	Non-Executive and Nominee Director
Mr. Mithun Appaiah	(DIN: 08484331)	Director (Executive)
Mr. Mohamed Mansoor Ahmed	(DIN: 06992067)	Non-Executive and Independent Director
Mr. Ravinder Kishen Raina	(DIN: 00336340)	Non-Executive and Independent Director
Dr. Anandavally N	(DIN: 08103463)	Non-Executive and Independent Director

CHIEF FINANCIAL OFFICER

Mr. Pradeepta Kumar Jena

COMPANY SECRETARY

Mr. Muhammed Rishwan

STATUTORY AUDITORS	INTERNAL AUDITORS	SECRETARIAL AUDITOR
M/s. Deloitte Haskins & Sells LLP Prestige Trade Tower, Level 19 46, Palace Road, High Grounds, Bengaluru – 560 001 Karnataka, India	M/s. FRG Associates No. 55/1739, Club Road, Girinagar, Cochin-682020	Mr. A.S. Narayanan Practicing Company Secretary, VI/331 Aishwaryam, Kottayi, Nedumbassery P.O, Aluva - 683585
REGISTERED OFFICE	CORPORATE OFFICE	FACTORY
Chakolas Habitat, A Block, 1 C, Thevara Ferry Road, Cochin - 682 013	Greystone, #267, Ground Floor, 5 th Main, 6 th Cross, Indiranagar 1 st Stage, Bangalore -560 038	Ezhupunna.P.O. Alapuzha Dt, Kerala-688 537 Survey No. 20 & 21, Srinu Food Park, Mogili Village, Bangarupalem Mandal, Chittoor Dist- 517416, AP

BANKERS

HDFC Bank Limited

Salco Centre, Richmond Road,
Bangalore - 560 025

HDFC Bank Limited

Eramalloor Br, Door No. VIII / 30,
Main Road Eramalloor,
Alleppey - 688 537, Kerala, India

ICICI Bank Limited

1, Shobha Pearl, Commissariat Road, Off MG Road, 1st Floor,
Bangalore – 560025.

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited
Kences Towers, 2nd Floor,
No.1, Ramakrishna Street,
Off North Usman Road, T Nagar, Chennai - 600 017.
Ph : 044-28140801-03,
E-mail : csdstd@integratedindia.in

Contents

Page No

Notice to the shareholders	1
Directors' Report	11
Secretarial Audit Report	21
Auditors' Report	24
Balance Sheet	34
Statement of Profit & Loss	35
Cash flow statements	36
Notes to Financial Statements	37



INNOVATIVE FOODS LIMITED

CIN: U51909KL1989PLC005465

Registered Office : Chakolas Habitat, A Block, 1 C, Thevara Ferry Road, Kochi, Kerala - 682013.

Email : cosecy@sumeru.net; Website : www.sumeru.net; Tel : 0478 2872349; Fax : 0478 2874417

NOTICE OF THE 32nd ANNUAL GENERAL MEETING

To,

The Members of Innovative Foods Limited

Notice is hereby given that the 32nd Annual General Meeting will be held on 27th August, 2021 at 11.00 AM through video conferencing (VC)/Other Audio Visual Means (OAVM) to be held at the registered office of the Company at Chakolas Habitat, A Block, 1 C, Thevara Ferry Road, Kochi, Kerala - 682013 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss account for the year ended 31.03.2021 and the Balance Sheet of the company as at 31.03.2021 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mithun Appaiah, who retires by rotation and being eligible, offers himself for re- appointment.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification(s) the following resolutions(s) as a Special Resolution(s):-

3. Appointment of Dr. N Anandavally (DIN: 08103463), as Independent Director of the Company:

“Resolved that pursuant to Provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force), and pursuant to recommendation of Nomination and Remuneration Committee, Dr. N Anandavally (DIN: 08103463), who was appointed as an Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 30th December, 2020, and who holds office up-to the date of ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director (Non-Executive) of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT, pursuant to provisions of Section 149, 150 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force), Dr. N Anandavally (DIN: 08103463) who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from December 30, 2020 up to December 29, 2025.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution the Whole-time Director and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the said resolution.”

**By Order of the Board of Directors,
For Innovative Foods Limited**

**P.Manoj Kumar
Whole-Time Director
DIN: 03527923**

Date: 23.07.2021

Place: Kochi

Note.

1. Explanatory statement as required under section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 and Circular dated January 13, 2021 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing / Other Audio Visual Means (VC / OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA circulars, the AGM of the Company is being held through VC /OAVM. The members intending to attend the meeting will be allowed to participate through VC / OAVM details of which are set out hereinafter.
3. As per provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself. Since this AGM is being held pursuant to the MCA Circulars on AGM 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, Corporate Members intending to authorize their representatives for attending the AGM are requested to send a scanned certified copy of the board resolution/authorization from authorized signatory authorizing their representative to attend through VC/OAVM and vote on their behalf in the AGM on cosecy@sumeru.net.
4. Company is providing e –voting facility for the members to cast their votes electronically. A note on the process and procedure of e-voting is annexed in the explanatory statement.
5. In compliance with the aforesaid MCA circular, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website www.sumeru.net.
6. Since the AGM will be conducted through VC/OAVM means, to conduct the AGM in a smooth and seamless manner, only those shareholders will be allowed to speak at the AGM who have pre-registered themselves for the same with the Company. The Company hence requests members to opt any one of the following methods for obtaining answers to their queries / making suggestions:
7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 05.00 P.M. on 25th August, 2021 through email on cosecy@sumeru.net and such email shall mandatorily mention the name of the shareholder, demat account number / folio number, email id and contact number of the shareholder. The same will be replied by the Company suitably.
8. Members who would like to express their views/ask questions as a speaker at the meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at cosecy@sumeru.net between **Saturday, August 21, 2021 (9:00 a.m. IST) and Wednesday, August 25, 2021 (5:00 P.M. IST)**. The Company will allow only the pre-registered members to speak at the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
9. Members are requested to discuss or ask queries only on the Accounts or business of the Company or any other agenda of the 32nd AGM so that effective question answer session can take place and queries posed by majority shareholders are addressed. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
10. The Company has appointed its Secretarial Auditor Mr. A.S. Narayanan as the Scrutinizer for scrutiny of votes casted through e-voting mechanism for the ensuing AGM. The scrutinizer will submit his report and voting results within the statutory time limit.
11. The documents referred to in the Notice, if any, will be available for inspection at the Company’s registered office during normal business hours on working days up to the date of the AGM.

12. Since the AGM is conducted through VC/OAVM, Route map for the venue of AGM is not required and hence not enclosed with this notice.
13. Members are requested to register their e- mail address with the company or the registrar, Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, Off: North Usman Road, T.Nagar, Chennai- 600 017. Ph.No: 044-28140801-03; Fax: 044-28142479, E-mail: csdstd@integratedindia.in
14. In line with the initiatives of the Government on environmental protection, paper communications could be minimised and electronic communication is appreciated. To support this move, members are welcome to register their email address and full bank particulars.
15. Kindly inform the registrar in case there is a change in your address.
16. The record date for ascertaining the eligible shareholders for the purpose of e-voting shall be '20th August, 2021'
17. Shareholders are also requested to submit their physical share certificates for dematerialization at the earliest since physical transfer of shares is no longer permitted under the Companies Act, 2013.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to Ordinary/Special Business of the accompanying Notice of the 32nd Annual General Meeting ('AGM') to be held on Friday, 27th August, 2021.

Item No. 3

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide its resolution dated December 30, 2020, had appointed Dr. N Anandavally (DIN:08103463), as an Additional Director (Non-Executive Independent) with effect from December 30, 2020 in accordance with the provision of Section 161 of the Companies Act, 2013 and Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. N Anandavally (DIN: 08103463), holds the office up to date of the ensuing Annual General Meeting.

The Company has received from Dr. Anandavally (DIN:08103463), (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Keeping in view her vast experience and knowledge, it will be beneficial and in the interest of the Company to appoint Dr. Anandavally, as an Independent Director of the Company.

In the opinion of the Board, Dr. Anandavally, fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 for her appointment as a Non-Executive Independent Director of the Company and is independent of the management.

Brief profile, expertise/experience, disclosure as required under Secretarial Standards 2 on General Meetings is given as an Annexure to the Notice.

Pursuant to recommendation of Nomination and Remuneration Committee, the Board of Directors accordingly recommends the Resolutions set out in Item No. 3 of the accompanying notice for approval by the members of the Company as a Special Resolution.

Dr. Anandavally is not related to any other Director and Key Managerial Personnel of the Company. She does not hold any Equity Share in the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Dr. Anandavally and her relatives, to the extent of her appointment are concerned or interested, financially or otherwise, in the said resolution mentioned at Item No.3 of the accompanying Notice.

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under clause 1.2.5 of Secretarial Standards on General Meetings – (SS-2).

Name of the Director	Mr. Mithun Appaiah	Dr. N Anandavally
Date of Birth & Age	28.03.1980, 41 years	25.05.1946, 75
Nationality	Indian	Indian
Date of first Appointment on Board	23.08.2019	30.12.2020
Qualifications	PGDM (MBA)	MSc. In Chemistry, PhD in Food Micro Biology
Brief profile, experience and expertise in specific functional area	Mr. Mithun Appaiah holds Post Graduate Diploma in Management (MBA) from IFIM Business School. Mr. Appaiah joined Nestle India Ltd handling urban and rural markets building the distribution footprint into urban, rural market expansion into feeder towns. He has worked with large MNC's, Indian FMCG and Alco beverage brands in key roles across departments and channels. He has won several awards and recognitions and has also been a speaker at various industry forums. He joined IFL in 2017 as CEO and has been instrumental in driving its business. He was appointed on Company's Board in 2019.	Dr. Anandavally holds a PhD in Food Microbiology and is well experienced in food safety legislations and regulations. She has been associated with export inspection agency (EIA) of Government of India for more than 24 years and was responsible for quality controls and certification process. Dr. Anandavally is an approved food safety Expert under United Nation (UN) and World Health Organization (WHO). She is also assisted with various Governments including Government of India in drafting Regulations and training the Government officials in Food safety and Food Control System.
Director of other Indian Companies (as on March 31, 2021)	Nil	Penver Products Limited
Terms and Conditions of appointment or re-appointment along with remuneration and the last drawn remuneration.	In terms of Section 152(6) of the Companies Act, 2013, Mr. Mithun Appaiah who was appointed as Director at the Annual General Meeting held on November 27, 2020, is liable to retire by rotation. Rs. 65,11,552 was paid as remuneration to Mr. Mithun Appaiah during the FY 2020-21 as approved by the members in the Annual General Meeting dated 27.11.2020.	Appointment as Non-Executive Independent Director, w.e.f. December 30, 2020 for a period of five years, not liable to retire by rotation. She is not eligible for remuneration other than sitting fees for attending Board & Committee Meetings.
The Number of Meetings of the Board attended during the year.	Four out of four meetings for FY 2020-21.	Nil
Relationships with other Directors, Manager and other Key Managerial Personnel.	None	None

Shareholders Instructions for e-voting:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No.20/2020 dated May 05, 2020 and Circular No.02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after 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 for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sumeru.net. The Notice can also be accessed from the websites of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 24th August, 2021 at 09:00 A.M. and ends on 26th, August, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 20th August, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th August, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;">  <p>NSDL Mobile App is available on  App Store  Google Play</p> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available

	<p>at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 20th August, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 20th August, 2021 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.</p>	

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116581 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to narayanan.secretary@gmail.com with a copy marked to evoting@nsdl.co.in and cossecy@sumeru.net.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to csdstd@integratedindia.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**By Order of the Board of Directors,
For Innovative Foods Limited**

**P.Manoj Kumar
Whole-Time Director
DIN: 03527923**

Date: 23.07.2021

Place: Kochi

DIRECTORS REPORT

To,
Members of Innovative Foods Limited
Dear Members,

The Directors have pleasure in presenting the 32nd Annual Report of the company together with the audited financial statements of the Company for the Year ended March 31, 2021 ("Year").

1. FINANCIAL HIGHLIGHTS

The financial performance of the company for the year ending 31st March 2021 is given below:

Financial Highlights		
Particulars	31.03.2021 (Rs. In Million)	31.03.2020 (Rs. In Million)
Turnover	852.87	798.55
Other Income	17.65	17.60
Total Revenue	870.52	816.15
Total Expense	859.88	949.49
Profit/Loss before Tax	10.64	(133.34)
Profit/Loss after Tax	10.64	(133.34)

2. STATE OF COMPANY'S AFFAIRS

Brief description of the company's working during the year/state of company's affair

The sales turnover of the Company for the year ended 31st March, 2021 was at Rs. 855.05 million as compared to Rs.798.55 million in the previous year – registering a growth of 7.08%. The Company registered a profit of Rs.10.64 million for the year ended 31st March, 2021 against a loss of Rs.133.34 million in the previous year.

Despite being faced with a challenging start in 2020 due to the outbreak of the COVID-19 pandemic and the lockdown measures announced by the Central and State Governments, the Company had made a better performance relative to the previous year statistics and posted a net profit of Rs. 10.64 million.

3. DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

4. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of Companies Act 2013, Company had placed the copy of Annual Return on the website of the company and the web link for the same is <http://www.sumeru.net/media.php>

5. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE FINANCIAL YEAR UNDER REVIEW

The Company had five Board meetings, during the financial year under review as detailed below: -

Board Meetings & Attendance details of Directors in the meeting

Name of Director	Date of Board Meeting			
	13.04.2020	22.08.2020	28.10.2020	30.12.2020
Mr. P. Manoj Kumar	P	P	P	P
Mr. Mohamed Mansoor Ahmed	P	P	P	P

Mr. Pranav Kumar Suresh	P	P	P	P
Mr. Mithun Appaiah	P	P	P	P
Mr. Ravinder Kishen Raina	P	P	P	P
Mr. Hari Narayan	LOA	LOA	LOA	R

P=Present, LOA=Leave of Absence, R=Resigned, NA=Not Applicable

6. DIRECTORS RESPONSIBILITY STATEMENTS-S.134(3)c

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

(i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) The directors had prepared the annual accounts on a going concern basis; and

(v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. Inductions

The following appointment was made during the year:

- Mrs. Anandavally N as Non-Executive Independent Director with effect from 30th December, 2020.

II. Re-appointments

As per the provisions of the Companies Act, 2013, Mr. Mithun Appaiah (DIN: 08484331), retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

III. Retirements and Cessation

Mr. Hari Narayan (Nominee Director) resigned as Non-Executive Director of the Company effective from 15th December, 2020.

8. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Auditors have not reported any Fraud under Section 143 (12) of the Companies Act, 2013 for the year ended 31.03.2021.

9. DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as stipulated under Section 149 of the Companies Act, 2013 and that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

10. BOARD COMMITTEES

a. Audit Committee

The audit committee of the company constitutes the following members:

As on 01.04.2020	As on 31.03.2021
➤ Mr. Mohamed Mansoor Ahmed	➤ Mr. Mohamed Mansoor Ahmed
➤ Mr. Ravinder Kishen Raina	➤ Mr. Ravinder Kishen Raina
➤ Mr. Pranav Kumar Suresh	➤ Mr. Pranav Kumar Suresh

b. Nomination Remuneration Committee

The Nomination and Remuneration Committee of the company consisted of the following members

As on 01.04.2020	As on 31.03.2021
➤ Mr. Mohamed Mansoor Ahmed	➤ Mr. Mohamed Mansoor Ahmed
➤ Mr. Ravinder Kishen Raina	➤ Mr. Ravinder Kishen Raina
➤ Mr. Pranav Kumar Suresh	➤ Mr. Pranav Kumar Suresh

c. Stakeholder Relationship Committee

The Stakeholders relationship Committee of the company consisted of the following members

As on 01.04.2020	As on 31.03.2021
➤ Mr. P Manoj Kumar	➤ Mr. P Manoj Kumar
➤ Mr. Pranav Kumar Suresh	➤ Mr. Pranav Kumar Suresh
➤ Mr. Mohamed Mansoor Ahamed	➤ Mr. Mohamed Mansoor Ahamed

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

- A. The qualifications, reservations or adverse remarks made by Statutory Auditors in the ir report and the comments of the Directors:

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

- B. The qualifications, reservations or adverse remarks made by Secretarial Auditor in their report and the comments of the Directors:

1. The company did not have Whole-time Company Secretary (Key Managerial Personnel) during the period from 01/04/2020 to 27/10/2020.

Comments:-

The Company had inducted an officer to be appointed as Company Secretary immediately after the resignation of previous Company Secretary presuming that new officer will obtain Membership number within 6 months from the date of his appointment. However, due to the outbreak of Covid-19, he could

not get the membership number as expected. This has resulted in delay in appointment of Company Secretary. The Company has appointed a qualified Company Secretary with effect from 28th October, 2020 and complied with Section 203 of the Companies Act, 2013.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review the Company has not given any loans, guarantees or made investments which fall under the purview of Section 186 of the Companies Act, 2013.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SEC 188(1) COMPANIES ACT 2013:

Form AOC 2 Attached as Annexure 1

14. TRANSFER TO RESERVES

Your Company has transferred the net profit made during the year ended 2020-2021 to the reserves of the Company.

15. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125(2) of the Companies Act, 2013, no unclaimed or unpaid Dividend relating to the financial year is due for remittance to the Investor Education and Protection Fund established by the Central Government.

16. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

17 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company continues to strengthen the conservation of energy and putting all its effort to minimize the Consumption of energy wherever possible. The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 2** and is attached to this report.

18. RISK MANAGEMENT POLICY:-

The Company has a proper risk management policy towards operations and administrative affairs of the Company.

19. CORPORATE SOCIAL RESPONSIBILITY U/S 135 OF THE COMPANIES ACT 2013

Provisions of Section 135 of the Companies Act, 2013 pertaining to CSR activities are not applicable to the company. Therefore, disclosure regarding the policy developed, implemented, initiatives taken by the Company and the formation of Committees does not arise.

20. ANNUAL EVALUATION:-

The performance evaluation of individual directors is carried considering factors like execution of specific assignments, effective contribution to the Board discussions and decisions, independence of judgment and steps taken towards proper governance of business and safeguarding interest of stakeholders.

21. DISCLOSURE UNDER OTHER PROVISIONS OF COMPANIES ACT 2013

i) Share Capital –

- A) Issue of equity shares with differential rights – NIL
- B) Issue of sweat equity shares – NIL
- C) Issue of employee stock options– NIL
- D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees – NIL
- E) Private Placement/Preferential Allotment of Equity shares- Nil

The Company has not issued any sweat equity shares, during the financial year under review.

22. REPORT ON VIGIL MECHANISM. S. 177(9) & (10)

The provisions pertaining to establishment of vigil mechanism does not applicable to the Company.

23. DISCLOSURE S. 197 (14)

Disclosure about receipt of any commission by MD/WTD from the company and also receiving commission/remuneration from its holding or subsidiary: NIL.

24. MANAGERIAL REMUNERATION:

Details of the employee(s) of the Company as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Rule 5(1): Not applicable since the company is not listed

Rule 5(2):

- (i) There are no directors or employees who are employed throughout the financial year in the company, were in receipt of remuneration for more than One crore and two lakh rupees per annum; and
- (ii) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, more than eight lakh and fifty thousand rupees per month.

25. STATUTORY AUDITORS

At the Annual General Meeting of the Company held on November, 27, 2020, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the statutory auditors of the Company to hold office till the conclusion of the Thirty Sixth Annual General Meeting of the Company to be held in the year 2025.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

26. SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and allied rules thereof, the Board of Directors has appointed Mr. A.S. Narayanan, Company Secretary in Practice as the Secretarial Auditor for the financial year 2020-21. The Secretarial Audit report for financial year ended 2020-2021 issued by Mr. A.S Narayanan is appended and forms part of this report. The report is self-explanatory.

27. MATTERS REQUIRED TO BE DISCLOSED IN ACCORDANCE WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

a) Financial Performance-Rule 8(1):-Already given

b) Contracts or arrangements with related parties Rule- 8(2) :-ANNEXURE 1

c) Conservation of energy, Technology absorption, Foreign exchange earnings and Outgo- Rule 8(3): ANNEXURE 2

d) Annual evaluation Report made by the Board Rule 8(4) Already given

Rule 8(5)

(i) the financial summary or highlights ; Already given

(ii) the change in the nature of business, if any; There is no change in the nature of the company's business during the financial year under review.

(iii) the details of directors or key managerial personnel who were appointed or have resigned during the year;

There are no changes among the directors or key managerial personnel of the company other than those given under point no.7.

(iiia) a statement regarding opinion of the Board with regards to integrity, expertise and experience (including proficiency) of the independent directors appointed during the year

During the year under review, the Board has appointed Dr. N Anandavally as the additional (Independent) Director of the Company. Dr. Anandavally holds a PhD in Food Microbiology and is well experienced in food safety legislations and regulations. She has been associated with export inspection agency Government of India for more than 24 years and was responsible for quality controls and certification process and was heading quality control and certification process of Export Inspection Agency (EIA). Dr. Anandavally is an approved food safety Expert under United Nation (UN) and World Health Organisation (WHO). She is also assisted with various Governments including Government of India in drafting Regulations and training the Government officials in Food safety and Food Control System. In the opinion of the Board, Dr. Anandavally is a person of integrity, possessing rich experience and expertise in the field of Food Safety laws/regulations.

(iv) the names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year-The company has no subsidiaries/ joint ventures/ associates

(v)the details relating to deposits, covered under Chapter V of the Act,-

- a) accepted during the year; NIL
- b) remained unpaid or unclaimed as at the end of the year; NIL
- c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- NIL
 - (i) at the beginning of the year; NIL
 - (ii) maximum during the year; NOT APPLICABLE
 - (iii) at the end of the year; NOT APPLICABLE

(vi) the details of deposits which are not in compliance with the requirements of Chapter V of the Act; NIL

(vii) the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future; There are no significant orders by Regulators impacting the going concern status of the company and company's operations in future.

viii) Details in respect of adequacy of internal controls with reference to the financial statements: The Company has adequate internal financial controls such as defining authority to authorize financial transactions, Internal Audit and monthly review of financial statement mechanism in vogue. The internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets. Further the company is not a listed company hence reporting on this clause does not arise.

ix) the Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act,2013

28. DISCLOSURES ABOUT CSR POLICY. Rule 9

Provisions of Section 135 of the Companies Act, 2013 pertaining to formulation of CSR policy is not applicable to the company.

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

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, the Company has adequate system for prevention of Sexual Harassment of women at workplace and has set up a cell for the same 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.

Your Directors further state that during the year under review, there was no complaint received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

30. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards to facilitate good corporate governance. Based on the recommendation of Secretarial Auditor, the company shall strive to improve its secretarial compliance practices in the year ahead.

31. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, vendor, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their confidence and Employees for their support and dedicated service extended to your Company during this period.

By order of the Board of Directors

Sd/-
P. Manoj Kumar
Whole-time Director
DIN: 03527923

Sd/-
Mithun Appaiah
CEO and Director
DIN: 08484331

Date: 23/07/2021
Place: Kochi

Annexure -1
Form AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts / arrangements / transactions	NIL
(c)	Duration of the contracts / arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of Contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Volume of Transactions	Outstanding balance (Receivables/(payables)) as on 31.03.2021
Oriental Cuisines Pvt. Ltd. (Entity under Common Control)	Normal Course of business	Revenue from operations	23.08.2019	-	59,47,294/-
Peepul Capital Fund III LLC, Mauritius (Holding Company)	Normal Course of business	Expense reimbursement	-	1,31,954/-	-

By order of the Board of Directors

Sd/-
P. Manoj Kumar
Whole-time Director
DIN: 03527923

Sd/-
Mithun Appaiah
CEO and Director
DIN: 08484331

Date: 23/07/2021
Place: Kochi

Annexure -2

	Conservation of energy	
i	the steps taken or impact on reservation of energy;	The operations of the Company are not very power intensive. Nevertheless, the Company continues its efforts to conserve energy wherever practicable by improving efficient use of Power- less power cost, increased productivity - Utilized the maximum capacity of the machines- Maximum output with minimum energy input.
ii	the steps taken by the company for utilizing alternate sources of energy;	Nil
iii	the capital investment on energy conservation equipment	Nil
B	Technology absorption-	
i	the efforts made towards technology absorption;	The company has not availed any foreign technology during the period.
ii	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) the details of technology imported;	NA
	(b) the year of import;	NA
	(c) whether the technology been fully absorbed;	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
iv	the expenditure incurred on Research and Development.	Rs. Nil
c	Foreign exchange earnings and Outgo- The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange Earnings: 1. FOB value of exports: Rs. 15,25,76,755.00 (FOB) 2. Foreign Exchange Outgo: Rs. 4,45,90,803.00 (CIF)

By order of the Board of Directors

Sd/-
P. Manoj Kumar
Whole-time Director
DIN: 03527923

Sd/-
Mithun Appaiah
CEO and Director
DIN: 08484331

Date: 23/07/2021
Place: Kochi

Annexure to Directors' Report for the year ended March 31, 2021

The Members
Innovative Foods Limited
Kochi

My Secretarial Audit 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 provide 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. Wherever 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, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

A .S. Narayanan
Company Secretary in Practice
Membership No: A6972
C.P NO: 8147
UDIN: A006972C000723391

Place: Aluva
Date: 23-07-2021

FORM NO. MR -3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31 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
Innovative Foods Limited
Kochi

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Innovative Foods Limited (herein after called the company)(CIN:U51909KL1989PLC005465). Secretarial Audit was conducted for the financial year ended on 31.03.2021 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 31.03.2021 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 31st March, 2021, according to the provisions of:

- i. The Companies Act, 1956 and the rules made there under to the extent applicable;
- ii. The Companies Act, 2013 (the Act) and the rules made there under;
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
Not applicable
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v. 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;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):Not applicable excepting regulation (f) as this is an unlisted company
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-Applicable
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- vii. The following laws, regulations, directions, orders are applicable specifically to the company:-
1. Environmental Protection Act, 1986
 2. Food Safety and Standards Act 2006
 3. Sale of Goods Act, 1930
 4. Factories Act 1948

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

Secretarial Standards

The company has generally complied with Secretarial Standards 1 & 2 (pertaining to conduct of Meetings of Board, its Committees and General Meetings), during the period under review though in a number of areas, there is scope for improvement in compliance.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The company did not have Whole Time Company Secretary during the period from 01/04/2020 to 27/10/2020.

I further report that

1. The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Mr. MithunAppaiah, CEO and Director of the company, retired by rotation and was re-elected as director at the Annual General Meeting held on 27/11/2020.

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 during the period covered under the Audit, the company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above.

- a. At the meeting held on 28/10/2020, the Board of Directors appointed Mr. MUHAMMED RISHWAN, as Whole time Company Secretary of the company with effect from 28/10/2020.
- b. At the Annual General Meeting of the company held on 27/11/2020, the member of the company through an ordinary resolution appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No:117366W/W-100018) as statutory auditors of the company for a period of 5 years.
- c. At the Annual General Meeting of the company held on 27/11/2020, the members of the company through a special resolution re-appointed Mr. P Manoj Kumar (DIN:03527923) as whole-time Director of the company for a period of 5 years with effect from 14/04/2020 as per the terms and conditions given in the explanatory statement annexed to the notice.
- d. At the Annual General Meeting of the company held on 27/11/2020, the members of the company through a special resolution approved the remuneration payable to Mr. Mithun Appaiah (DIN:08484331), CEO and Director of the company, as per the details given in the explanatory statement annexed to the notice.
- e. At the meeting held on 30/12/2020, the Board of Directors appointed Dr. Anandavally Narayanan (DIN: 08103463) as Additional (Non-executive and Independent) Director of the company w.e.f 30/12/2020 who will continue to hold office till the next Annual General Meeting of the company.
- f. At the meeting held on 30/12/2020, the board of directors accepted the resignation of Mr. Hari Narayan (DIN:07056472), Nominee Director of the company w.e.f 15/12/2020.

Sd/-

A .S. Narayanan
Company Secretary in Practice
Membership No: A6972
C.P NO: 8147
UDIN: A006972C000723391

Place: Aluva
Date: 23.07.2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Innovative Foods Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Innovative Foods Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Director's report including Annexures to the Director's report, but does not include the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management's Responsibility for the Financial Statements

The 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes 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 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 statement 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 Responsibility for the Audit of the Financial Statements

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.

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 financial 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 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 the 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 standalone 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 relevant books of account.
- d. In our opinion, the aforesaid 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 as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, as amended 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 -;
 - 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.



**Deloitte
Haskins & Sells LLP**

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Gurvinder Singh
(Partner)
(Membership No. 110128)
UDIN: 21110128AAAADX1783

Place: Bengaluru
Date: 23 July 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Innovative Foods Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company.

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. 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 of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins and Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Gurvinder Singh
(Partner)
(Membership No. 110128)
UDIN: 21110128AAAADX1783

Place: Bengaluru
Date: 23 July 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination, we report that, Immovable properties of land and buildings whose title deeds have been pledged as security for loans and guarantees are held in the name of the Company based on the confirmations directly received by us from the custodian.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits and hence reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, sales tax, Goods and Service tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Goods and Service Tax, Customs Duty, Service Tax, Excise Duty, Value Added Tax, Cess and other



material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) The Company did not have dues of Sales Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2021 on account of disputes. Details of dues of Income tax and Service tax which have not been deposited as on 31 March 2021 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Amount involved (Rs.)	Amount unpaid (Rs.)
The Income Tax Act, 1961	Income Tax	The Assistant Commissioner of Income Tax	2007-08	53,690 ⁽¹⁾	-
The Kerala VAT Tax Act 2003	Sales Tax	Kerala High Court	2009-10	1,571,623 ⁽²⁾	521,475
The Kerala VAT Tax Act 2003	Sales Tax	Kerala High Court	2011-12	10,227,014	10,227,014
The Kerala VAT Tax Act 2003	Sales Tax	The Sales Tax Appellate Tribunal	2012-13	6,014,843	6,014,843
The Kerala VAT Tax Act 2003	Sales Tax	The Sales Tax Appellate Tribunal	2013-14	1,776,301 ⁽³⁾	1,318,774
The Kerala VAT Tax Act 2003	Sales Tax	The Sales Tax Appellate Tribunal	2014-15	2,643,523	2,643,523

(1) Net of amount paid under protest – Rs. 53,690

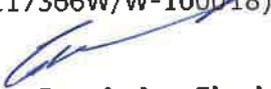
(2) Net of amount paid under protest – Rs. 1,050,148

(3) Net of amount paid under protest – Rs. 457,527

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins and Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Gurvinder Singh
(Partner)
(Membership No. 110128)
UDIN: 21110128AAAADX1783

Place: Bengaluru
Date: 23 July 2021

Innovative Foods Limited
Balance sheet as at 31 March 2021

	Notes	As at 31 March 2021	As at 31 March 2020
Equity and liabilities			
Shareholders' funds			
Share capital	2.0	1,08,93,77,800	1,08,93,77,800
Reserves and surplus	3.0	<u>(81,83,40,161)</u>	<u>(82,89,83,858)</u>
		27,10,37,639	26,03,93,942
Non-current liabilities			
Long-term borrowings	4.0	6,60,17,410	6,29,32,487
Other long-term liabilities	5.0	3,18,48,478	3,18,06,138
Long-term provisions	6.0	<u>31,55,424</u>	<u>29,72,312</u>
		10,10,21,312	9,77,10,937
Current liabilities			
Short-term borrowings	7.0	8,92,46,003	9,11,80,785
Trade payables	8.0		
Total outstanding dues of micro enterprises and small enterprises; and		21,51,439	15,77,964
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,37,20,076	16,68,17,768
Other current liabilities	9.0	3,75,48,846	2,53,98,747
Short-term provisions	10.0	<u>89,77,963</u>	<u>58,99,290</u>
		28,16,44,327	29,08,74,553
		65,37,03,278	64,89,79,432
Assets			
Non-current assets			
Property, plant and equipment			
Tangible Assets	11.0	23,60,10,081	25,53,86,175
Intangible Assets	11.0	6,75,139	7,27,381
Capital work-in-progress		-	27,66,787
Intangible Assets Under Development		21,17,647	-
Long-term loans and advances	12.0	1,15,79,843	1,47,88,759
Other non-current assets	13.0	<u>2,69,54,497</u>	<u>2,87,39,534</u>
		27,73,37,207	30,24,08,636
Current assets			
Inventories	14.0	10,19,53,234	8,03,65,959
Trade receivables	15.0	18,01,55,083	16,26,51,942
Cash and bank balances	16.0	4,63,50,583	5,14,99,063
Short-term loans and advances	17.0	3,66,54,011	4,31,37,231
Other current assets	18.0	<u>1,12,53,160</u>	<u>89,16,602</u>
		37,63,66,071	34,65,70,797
		65,37,03,278	64,89,79,433

Significant accounting policies

1.0

The notes referred to above form an integral part of the balance sheet

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

for and on behalf of the Board of Directors of
Innovative Foods Limited
CIN : U51909KL1989PLC005465

Gurvinder Singh
Partner

Membership No.: 110128
Bangalore
Date: **23-JUL-2021**

Mithun Appaiah
Director and Chief Executive
Officer

DIN : 08484331
Bangalore
Date: **23-JUL-2021**

P Manoj Kumar
Whole Time Director

DIN : 03527923
Kochi
Date: **23-JUL-2021**

Pradeepta Kumar Jena
Chief Financial Officer
Bangalore
Date: **23-JUL-2021**

Muhammed Rishwan
Company Secretary
Kochi
Date: **23-JUL-2021**

Innovative Foods Limited			
Statement of profit and loss for the year ended 31 March 2021			
	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Sales, net of sales returns	19.0	85,28,65,637	79,85,51,349
Other income	20.0	1,76,54,158	1,76,00,332
Total revenue		87,05,19,795	81,61,51,681
Expenses			
Cost of materials consumed	21.0	37,78,51,292	36,93,67,776
Purchase of stock-in-trade	22.0	7,51,12,907	8,15,32,367
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.0	(1,76,36,141)	(15,11,744)
Employee benefits expense	24.0	12,38,51,223	12,84,63,052
Finance costs	25.0	1,64,06,357	1,77,81,582
Depreciation and amortisation	26.0	2,70,23,383	2,96,11,882
Other expenses	27.0	25,72,67,078	32,42,44,190
Total expenses		85,98,76,099	94,94,89,104
Profit/Loss before taxes		1,06,43,697	(13,33,37,422)
Tax expense		-	-
Profit/Loss after taxes		1,06,43,697	(13,33,37,422)
Earnings/(Loss) per share (equity share of par value Rs 10 each)			
Basic		0.10	(1.30)
Diluted	29.0	0.10	(1.30)
Significant accounting policies	1.0		
As per our report of even date attached for Deloitte Haskins & Sells LLP <i>Chartered Accountants</i> Firm registration number: 117366W/W-100018		for and on behalf of the Board of Directors of Innovative Foods Limited CIN : U51909KL1989PLC005465	
Gurvinder Singh <i>Partner</i> Membership No.: 110128 Bangalore Date:		Mithun Appaiah <i>Director and Chief Executive Officer</i> DIN : 08484331 Bangalore Date: 23-JUL-2021	P Manoj Kumar <i>Whole Time Director</i> DIN : 03527923 Kochi Date: 23-JUL-2021
		Pradeepta Kumar Jena <i>Chief Financial Officer</i> Bangalore Date: 23-JUL-2021	Muhammed Rishwan <i>Company Secretary</i> Kochi Date: 23-JUL-2021 Membership No. A62026

Innovative Foods Limited
Cash flow Statement for the year ended 31st March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit/Loss before taxes	1,06,43,697	(13,33,37,422)
<i>Adjustments for:</i>		
Depreciation and amortisation	2,70,23,383	2,96,11,882
Finance cost	1,64,06,357	1,77,81,582
Interest income	(63,13,068)	(45,12,432)
Provision for doubtful debts and advances	1,05,16,822	1,28,34,207
Liabilities no longer required written back	(7,30,179)	(97,68,575)
Inventory write down (obsolete, damaged and expired stock)	1,25,94,124	13,24,328
Deferred income on government grant	(21,82,179)	(19,01,196)
Unrealised foreign exchange gain, net	-	(8,39,809)
Operating cash flows before working capital changes	6,79,58,956	(8,88,07,436)
Increase in trade receivables	(64,23,627)	(31,58,947)
(Increase)/decrease in inventories	(3,41,81,399)	(30,31,638)
(Increase)/decrease in loans and advances, other assets and deposits	1,56,56,549	(56,64,920)
Increase in liabilities and provisions	(4,21,46,608)	1,04,78,549
Net cash used in operating activities before taxes	8,63,871	(9,01,84,392)
Income taxes refund (net)	12,16,553	5,40,012
Net cash used in operating activities (A)	20,80,425	(8,96,44,380)
Cash flows from investing activities		
Purchase of property, plant and equipment	(86,56,042)	(1,60,63,230)
Interest received	42,79,151	44,03,241
Net cash used in investing activities (B)	(43,76,891)	(1,16,59,989)
Cash flows from financing activities		
Proceeds from issue of shares	-	15,00,00,000
Availment/(Re-payment) of Long term borrowings	2,05,65,325	(2,90,63,611)
Availment/(Re-payment) Short term borrowings	(19,34,782)	61,49,019
Interest paid	(1,70,23,384)	(1,75,87,652)
Net cash generated from financing activities (C)	16,07,158	10,94,97,756
Net decrease in cash and cash equivalents (A+B+C)	(6,89,307)	81,93,387
Cash and cash equivalents at the beginning of year	1,37,88,457	55,95,070
Cash and cash equivalents at the end of the year (refer note 16)	1,30,99,149	1,37,88,457

**Cash and Cash equivalents for the purpose of Cash statement

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

for and on behalf of the Board of Directors of
Innovative Foods Limited
CIN : U51909KL1989PLC005465

Gurvinder Singh
Partner

Membership No.: 110128
Bangalore
Date:

Mithun Appaiah
Director and Chief
Executive Officer
DIN : 08484331
Bangalore
Date: 23-JUL-2021

P Manoj Kumar
Whole Time Director
DIN : 03527923
Kochi
Date: 23-JUL-2021

Pradeepta Kumar Jena
Chief Financial Officer
Bangalore
Date: 23-JUL-2021

Muhammed Rishwan
Company Secretary
Kochi
Date: 23-JUL-2021

1.0 Significant accounting policies

1.1 Background

Innovative Foods Limited ('the Company') was incorporated in 1989 as Innovative Marine Foods Limited and subsequently changed its name to Innovative Foods Limited. The Company is engaged in the business of manufacture and trading of frozen ready to eat / ready to cook products. The registered office of the Company is at Kochi, Kerala. Peepul Capital Fund III, LLC, Mauritius, is the holding company and ultimate holding company.

1.2 Basis of accounting and preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, as applicable, Accounting Standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles in India. All amounts included in the financial statements are reported in Indian rupees, except share and per share data, and have been rounded off to nearest rupee.

1.3 Going concern

The paid-up equity share capital and the accumulated losses of the Company as 31 March 2021 were Rs. 1,089,377,800 and Rs. 817,558,206 respectively. The Current year profit of the Company is Rs. 11,425,654. The Company has incurred cash loss during previous financial year.

Management, however, believes that the Company will be able to continue its operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future, at least for a period of twelve months from the balance sheet date based on business strategies and operating plans which will enable the Company to generate positive operating cash flows in the future.

The financial statements have accordingly been prepared on a going concern basis.

1.4 Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

Revenue from sale of goods (including sale of scrap) is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of goods and service tax, discounts and sales returns.

Interest on deployment or surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

1.6 Property, plant and equipment and intangible assets

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses related to the acquisition of those property, plant and equipment. In respect of major projects involving construction, related directly attributable costs form part of the value of assets capitalised. Borrowing cost directly attributable to the acquisition/ construction of those property, plant and equipments which necessarily take a substantial period of time to get ready for their intended use is capitalized. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.



Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under long-term loans and advances. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

1.7 Depreciation and amortisation

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortised over the lease term or useful lives of assets, whichever is lower. Intangible assets are amortised over their estimated useful lives, which range from three (3) years to five (5) years, respectively, from the date such assets are available for use.

The management estimates the useful lives for the property, plant and equipment as under:

Class of Assets	Years
Buildings: Factory	30
Buildings: Others	60
Plant and machinery*	5-15
Computers	3
Servers and networks	6
Office equipment	5
Furniture and fixtures	10
Vehicles	8

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

**For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.*

1.8 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset forming part of its cash generating units may be impaired. If any such indications exist, the Company estimates the recoverable amount of the asset or the group of assets comprising a cash generating unit. For an asset or a group of assets that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset

1.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost comprises purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated using the weighted average cost method. Production overheads used for the valuation of finished goods are allocated on the basis of normal capacity of production facilities.

The comparison of cost and net realisable value of inventory is made on an item by item basis. The net realisable value of work in progress is determined with reference to the selling prices of related finished goods. Raw material and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

1.10 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the statement of profit and loss of the period.

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the statement of profit or loss. Non-monetary assets and nonmonetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1.11 Employee benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post-employment benefits

(i) Defined contribution plans

Contributions payable to the recognized provident fund, which is a defined contribution scheme, is made monthly at predetermined rates to the appropriate authorities and charged to the statement of profit and loss on an accrual basis. There are no other obligations other than the contribution payable to the respective fund.

(ii) Defined benefit plans

Gratuity, a defined benefit scheme, is accrued based on an actuarial valuation at the balance-sheet date, carried out by an independent actuary. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation. The defined benefit plan surplus or deficit on the balance sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities (using a discount rate by reference to market yields on government bonds at the end of the reporting period). The calculation of defined benefit obligation is performed annually at the balance sheet date by a qualified actuary using the projected unit credit method.

(iii) Compensated absences

utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured annually at the balance sheet date on the basis of independent actuarial valuation using the projected unit credit method.

1.12 Income taxes

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company in India.

Deferred tax charge or credit is recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

(All amounts in Indian rupees, except share data and where otherwise stated)

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

1.13 Earnings per share

The basic and diluted earning per share is computed by dividing the net profit/loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive, i.e. which reduces earnings per share or increases loss per share are included.

1.14 Leases

Assets acquired under leases other than financial leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit, Initial direct costs incurred specifically for an operating lease and charged to the statement of Profit and Loss over the lease term.

1.15 Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources, in case of a possible obligation or a present obligation is remote no provision or disclosure is made. Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is possible that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax 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.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash balance and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.18 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants related to specific fixed assets are treated as deferred income which is recognised in the statement of profit or loss on a systematic and rational basis over the useful life of the asset.

2.0 Share capital	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each *	11,50,00,000	1,15,00,00,000	11,50,00,000	1,15,00,00,000
	<u>11,50,00,000</u>	<u>1,15,00,00,000</u>	<u>11,50,00,000</u>	<u>1,15,00,00,000</u>
Issued, subscribed and paid-up				
Equity shares of Rs. 10 each fully paid-up *				
At the beginning and end of the year	10,89,37,780	1,08,93,77,800	9,39,37,780	93,93,77,800
Issued during the year	-	-	1,50,00,000	15,00,00,000
At the end of the year	<u>10,89,37,780</u>	<u>1,08,93,77,800</u>	<u>10,89,37,780</u>	<u>1,08,93,77,800</u>
* The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.				
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.				
(a) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates				
	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<i>Equity shares of Rs. 10 each fully paid up held by:</i>				
Peepul Capital Fund III, LLC, Mauritius (Ultimate Holding Company)	10,81,68,586	1,08,16,85,860	10,81,68,586	1,08,16,85,860
(b) Details of shareholders holding more than 5% shares of the Company				
	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Peepul Capital Fund III, LLC, Mauritius (Ultimate Holding Company)	10,81,68,586	99.29%	10,81,68,586	99.29%
(c) Details of buyback, bonus shares issued, issue of shares for consideration other than for cash for past 5 years				
The Company has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares nor has there been any issue of shares for consideration other than for cash during the period of five years immediately preceding the balance sheet date.				
(d) Other matters				
The issued, subscribed and paid-up share capital of the Company was reduced by 90% from the share capital Rs.185,000,000 as per the scheme approved by the Board for Industrial and Financial Reconstruction, during the year 2006-07 and effective from 30 March 2007.				
3.0 Reserves and surplus			As at 31 March 2021	As at 31 March 2020
<i>Securities premium</i>				
Balance at the beginning and end of the year			26,25,06,829	26,25,06,829
			<u>26,25,06,829</u>	<u>26,25,06,829</u>
<i>Deficit in the statement of profit and loss</i>				
Balance at the beginning of the year			(1,09,14,90,687)	(95,81,53,265)
Add: net profit / (loss) for the year			1,06,43,697	(13,33,37,422)
Balance at the end of the year			<u>(1,08,08,46,990)</u>	<u>(1,09,14,90,687)</u>
			<u>(81,83,40,161)</u>	<u>(82,89,83,858)</u>
4.0 Long-term borrowings			As at 31 March 2021	As at 31 March 2020
<i>Secured</i>				
Term loan from banks			6,30,70,049	5,99,85,126
Vehicle loans			29,47,361	29,47,361
			<u>6,60,17,410</u>	<u>6,29,32,487</u>
<i>Details of securities, terms and conditions on term loans</i>				
Note 1: Term loans from banks in Indian rupees are secured by exclusive charge on factory land and building located at Sy no 287/29 & 288/1, 2 & 3 at Ezhupunna village, Sy no 287/17A, 20 at Ezhupunna village, all movable fixed assets of the company (present and future) and stock and receivables of the Company and Secured by exclusive charge on factory building located at Sy no 20 and 21(part), Srin Food Park, Mogili village, all movable fixed assets for the projects and of Chittoor factory and current assets of Chittoor factory. The rate of interest ranges between 9% - 9.50% per annum. Loans are repayable in monthly/ quarterly instalments over a period of 44 to 72 months.				
Note 2: Vehicle loans from banks are secured by hypothecation of the respective motor vehicles and the interest rate of 9% - 9.5% per annum. Loan is repayable in 55- 60 monthly instalments starting from November 2018 and April 2019.				
5.0 Other long-term liabilities				
Deferred grant			2,46,30,772	2,70,93,933
Security deposits from customers			72,17,706	47,12,206
			<u>3,18,48,478</u>	<u>3,18,06,139</u>
6.0 Long-term provisions				
<i>Provision for employee benefits</i>				
Compensated absences			31,55,424	29,72,312
			<u>31,55,424</u>	<u>29,72,312</u>

	As at 31 March 2021	As at 31 March 2020
7.0 Short term borrowings		
<i>Secured</i>		
Working capital demand loan from a bank		
Cash credit	8,92,46,003	9,11,80,785
	<u>8,92,46,003</u>	<u>9,11,80,785</u>
The cash credit from HDFC Bank carries interest rate of 10.20% per annum and is repayable on demand. Cash credit is secured by :		
a) exclusive charge on stock, receivables and movable fixed assets of the Company, both present and future; and		
b) equitable mortgage of factory land and building of the Company located at Ezhupunna.		
8.0 Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	21,51,439	15,77,964
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>14,37,20,076</u>	<u>16,68,17,767</u>
	<u>14,58,71,515</u>	<u>16,83,95,731</u>
* Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:		
The principal amount remaining unpaid to any supplier as at the end of the year	21,51,439	15,77,964
The interest due on the principal remaining outstanding as at the end of the year	7,34,999	6,89,635
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, 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 the Act	Interest due up to 31 March 2021 has been accrued	Interest due up to 31 March 2020 has been accrued
9.0 Other current liabilities		
Current maturities of long term borrowings	3,26,06,529	1,51,26,127
Interest accrued on borrowings	6,72,614	12,89,641
Advances received from customers	-	34,78,825
Dues to creditors for capital goods	-	10,60,995
Deferred grant	21,82,179	19,01,196
Withholding taxes and statutory dues	<u>20,87,525</u>	<u>25,41,963</u>
	<u>3,75,48,846</u>	<u>2,53,98,747</u>
10.0 Short-term provisions		
<i>Provision for employee benefits</i>		
Compensated absences	18,79,585	13,78,621
Gratuity	31,25,585	21,01,832
Provision for disputed claims (refer note 42)	<u>39,72,794</u>	<u>24,18,837</u>
	<u>89,77,963</u>	<u>58,99,290</u>

(This space left blank intentionally)

11.0 The changes in the carrying value of Fixed Assets' for the year ended March 31, 2021 are as follows :

Particulars	Tangible fixed assets							In-Tangible fixed assets			Total fixed assets			
	Freehold land	Leasehold land	Bulidings: Factory	Bulidings: Others	Plant and machinery	Computer	Office equipments	Furniture & Fittings	Vehicles	Total Tangible		Software	Brand	Total In-Tangible
Cost as at April 01, 2020	66,78,513	87,72,200	9,76,97,405	8,25,546	30,35,16,968	76,99,523	2,12,35,929	76,46,813	83,46,279	46,24,19,176	43,99,618	4,06,60,000	4,50,59,618	50,74,78,794
Additions	-	-	1,36,158	-	69,30,675	2,08,918	-	48,000	-	73,23,751	2,71,296	-	2,71,296	75,95,047
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost as at March 31,2021	66,78,513	87,72,200	9,78,33,563	8,25,546	31,04,47,642	79,08,441	2,12,35,929	76,94,813	83,46,279	46,97,42,926	46,70,914	4,06,60,000	4,53,30,914	51,50,73,840
Acc. Dep as at April 01, 2020	-	2,77,441	2,37,24,823	54,533	15,86,16,276	68,45,485	1,06,62,021	36,76,244	31,76,178	20,70,33,001	36,72,237	4,06,60,000	4,43,32,237	25,13,65,238
Depreciation for the year	-	84,178	30,94,812	26,142	1,94,80,989	6,01,376	20,90,104	4,96,123	8,26,121	2,66,99,845	3,23,538	-	3,23,538	2,70,23,383
Deduction/Adjustments during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acc. Dep as at March 31,2021	-	3,61,619	2,68,19,634	80,676	17,80,97,265	74,46,861	1,27,52,126	41,72,367	40,02,298	23,37,32,846	39,95,775	4,06,60,000	4,46,55,775	27,83,88,621
Net Block As at March 31, 2021	66,78,513	84,10,581	7,10,13,929	7,44,870	13,23,50,377	4,61,580	84,83,803	35,22,446	43,43,981	23,60,10,081	6,75,139	-	6,75,139	23,66,85,219

The changes in the carrying value of Fixed Assets' for the year ended March 31, 2020 are as follows :

Particulars	Tangible fixed assets							In-Tangible fixed assets			Total fixed assets			
	Freehold land	Leasehold land	Bulidings: Factory	Bulidings: Others	Plant and machinery	Computer	Office equipments	Furniture & Fittings	Vehicles	Total Tangible		Software	Brand	Total In-Tangible
Cost as at April 01, 2019	66,78,513	87,72,200	9,60,40,355	8,25,546	29,87,10,899	72,88,199	2,11,80,909	76,13,736	83,46,279	45,54,56,636	42,01,318	4,06,60,000	4,48,61,318	50,03,17,954
Additions	-	-	16,57,050	-	48,06,069	4,11,324	55,020	33,077	-	69,62,540	1,98,300	-	1,98,300	71,60,840
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost as at March 31,2020	66,78,513	87,72,200	9,76,97,405	8,25,546	30,35,16,968	76,99,523	2,12,35,929	76,46,813	83,46,279	46,24,19,176	43,99,618	4,06,60,000	4,50,59,618	50,74,78,794
Acc. Dep as at April 01, 2019	-	1,93,033	2,10,65,773	41,427	13,62,41,997	60,56,707	87,40,756	31,83,128	24,67,592	17,79,90,413	31,02,943	4,06,60,000	4,37,62,943	22,17,53,356
Depreciation for the year	-	84,408	26,59,050	13,106	2,23,74,279	7,88,778	19,21,265	4,93,116	7,08,586	2,90,42,588	5,69,294	-	5,69,294	2,96,11,882
Deduction/Adjustments during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acc. Dep as at March 31,2020	-	2,77,441	2,37,24,823	54,533	15,86,16,276	68,45,485	1,06,62,021	36,76,244	31,76,178	20,70,33,001	36,72,237	4,06,60,000	4,43,32,237	25,13,65,238
Net Block As at March 31, 2020	66,78,513	84,94,759	7,39,72,582	7,71,013	14,49,00,691	8,54,038	1,05,73,908	39,70,569	51,70,101	25,53,86,175	7,27,381	-	7,27,381	25,61,13,555

(This space left blank intentionally)

	As at 31 March 2021	As at 31 March 2020
12.0 Long-term loans and advances		
<i>Unsecured, considered good</i>		
Rent and other deposits	88,41,178	1,08,33,541
Income taxes deducted at source	27,38,665	39,55,218
	1,15,79,843	1,47,88,759
13.0 Other non-current assets		
Balance in banks as margin money deposits	2,69,54,497	2,87,39,534
	2,69,54,497	2,87,39,534
14.0 Inventories		
Stores and spares	37,54,599	34,96,911
Raw materials and packing materials		
Raw materials*	2,43,88,128	2,41,23,164
Crumbs	7,03,911	52,62,084
Others*	2,36,84,217	1,88,61,080
Packing materials*	1,16,47,817	89,50,596
	3,60,35,945	3,30,73,760
Work-in-progress		
Marine products	14,41,710	-
Others *	39,03,706	-
	53,45,416	-
Finished goods		
Marine products	25,29,416	48,70,333
Parathas	61,72,547	1,20,06,245
Curry & Sausage	2,27,14,161	25,70,268
Others *	1,05,54,160	1,95,15,466
	4,19,70,284	3,89,62,312
Less : provision for obsolete inventory	-	(7,31,261)
	4,19,70,284	3,82,31,051
Stock-in-trade	1,48,46,990	55,64,237
	10,19,53,234	8,03,65,959
* Do not individually exceed 10% of the total value of inventory		
15.0 Trade receivables		
<i>Unsecured</i>		
Debts outstanding for a period exceeding six months from the day they are due for payment		
considered good	77,64,116	1,02,07,560
considered doubtful	2,55,90,827	2,35,87,149
Less : Provision for doubtful trade receivables	(2,55,90,827)	(2,35,87,149)
	77,64,116	1,02,07,560
Other receivables		
considered good	17,23,90,968	15,24,44,382
	18,01,55,083	16,26,51,942
16.0 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	2,02,449	72,787
Currency On Hand		
Balances with banks		
In current accounts	12,46,700	37,15,670
In deposit accounts (with original maturity of 12 months or less)	1,16,50,000	1,00,00,000
Cash and Cash equivalents for the purpose of Cash statement	1,30,99,149	1,37,88,457
Other bank balances		
In deposit accounts (with original maturity upto/Not more than 12 months)	3,32,51,434	3,77,10,606
	4,63,50,583	5,14,99,063
17.0 Short-term loans and advances		
<i>Unsecured, considered good</i>		
Advance for supply of goods and rendering of services	1,58,29,571	60,33,503
Prepaid expenses	21,76,126	23,39,219
Balance with government authorities	1,86,48,315	3,47,64,509
	3,66,54,011	4,31,37,231
18.0 Other current assets		
<i>Unsecured, considered good</i>		
Interest accrued on fixed deposits	27,39,519	7,05,602
Deferred grant receivable	85,13,637	82,11,000
	1,12,53,156	89,16,602

	Year ended 31 March 2021	Year ended 31 March 2020
19.0 Revenue from operations		
Sale of products		
Own manufactured	73,70,62,274	69,57,42,289
Traded	<u>10,71,16,116</u>	<u>9,46,13,303</u>
	<u>84,41,78,390</u>	<u>79,03,55,592</u>
<i>Other operating income</i>		
Export incentives	86,87,247	62,94,561
	<u>86,87,247</u>	<u>81,95,757</u>
Revenue from operations	<u>85,28,65,637</u>	<u>79,85,51,349</u>
<i>Own manufactured</i>		
Marine products	8,16,31,388	8,90,84,894
Parathas	15,25,68,654	17,81,20,776
Chicken Products	14,07,14,526	14,07,14,526
Others *	<u>36,21,47,706</u>	<u>28,78,22,093</u>
	<u>73,70,62,274</u>	<u>69,57,42,289</u>
<i>Traded</i>		
Sausages	8,23,19,642	6,41,85,063
Others *	<u>2,47,96,473</u>	<u>3,04,28,240</u>
	<u>10,71,16,116</u>	<u>9,46,13,303</u>
	<u>84,41,78,390</u>	<u>79,03,55,592</u>
* Do not individually exceed 10% of the total sales		
20.0 Other income		
Interest income on bank deposits	63,13,068	45,12,432
Interest on Subvention (APFPS)	85,13,637	-
Foreign exchange fluctuations, net	(93,890)	27,91,171
Deferred income on government grant	21,82,179	19,01,196
Unclaimed Liabilities written back	7,30,179	97,68,575
Miscellaneous income	<u>8,985</u>	<u>5,28,154</u>
	<u>1,76,54,158</u>	<u>1,95,01,528</u>
21.0 Cost of materials consumed (including packing material consumed)		
Inventory of materials at the beginning of the year	3,30,73,760	3,37,36,693
Purchases		
Marine products	5,71,68,265	5,31,69,611
Meat products	6,36,23,360	6,02,40,370
Parathas	5,09,01,450	4,17,04,097
Others *	20,91,20,401	21,35,90,765
Inventory of materials at the end of the year	<u>(3,60,35,945)</u>	<u>(3,30,73,760)</u>
	<u>37,78,51,292</u>	<u>36,93,67,776</u>
* Do not individually exceed 10% of the total purchases		
22.0 Purchase of stock-in-trade		
Sausages	2,43,73,300	3,20,40,882
Others *	<u>5,07,39,607</u>	<u>4,94,91,485</u>
	<u>7,51,12,907</u>	<u>8,15,32,367</u>
* Do not individually exceed 10% of the total purchases		

23.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	3,89,62,312	3,06,72,863
Work-in-progress	-	21,38,612
Stock-in-trade	55,64,237	1,02,03,330
	4,45,26,549	4,30,14,805
Closing stock		
Finished goods	4,19,70,284	3,89,62,312
Work-in-progress	53,45,416	-
Stock-in-trade	1,48,46,990	55,64,237
	6,21,62,690	4,45,26,549
Net (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	(1,76,36,141)	(15,11,744)
24.0 Employee benefits expense		
Salaries, wages and bonus	11,52,32,551	11,62,19,909
Contribution to provident and other funds	71,24,734	88,96,279
Staff welfare expenses	14,93,938	33,46,864
	12,38,51,223	12,84,63,052
25.0 Finance costs		
Interest on borrowings	1,64,06,357	1,77,81,582
	1,64,06,357	1,77,81,582
26.0 Depreciation and amortisation		
Depreciation on property, plant and equipment	2,66,99,845	2,90,42,588
Amortisation on intangible assets	3,23,538	5,69,294
	2,70,23,383	2,96,11,882
27.0 Other expenses		
Contract manufacturing	5,40,77,960	6,32,54,418
Security Charges	14,13,560	15,81,264
Power and fuel	2,32,66,253	2,63,64,104
Storage and freezing	1,04,04,177	1,10,50,182
Freight, transport and distribution	6,57,16,047	4,87,66,487
Rent (Refer Note No. 36)	36,67,357	40,80,734
Repairs and maintenance	86,05,187	1,45,31,193
Insurance	37,08,079	31,00,785
Rates and taxes	23,581	15,67,382
Marketing and sales promotion	4,15,85,074	10,30,93,870
Travelling and conveyance	70,19,744	1,66,87,352
Legal, professional and consultancy (Refer Note 30)	54,96,558	66,76,592
Communication expenses	8,34,617	12,10,924
Inventory write down (obsolete, damaged and expired)	1,25,94,124	13,24,328
Bank charges	4,25,690	4,46,360
Provision for doubtful debts and advances	1,05,16,822	1,28,34,207
Miscellaneous expenses	79,12,248	76,74,009
	25,72,67,078	32,42,44,190

28.0 Capital commitments and contingent liabilities

Particulars	As at	
	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	7,74,900	2,18,237
Income tax demand under appeal (see note 1 below)	53,690	53,690
Sales tax demand under appeal (see note 1 below)	2,22,33,304	2,77,32,631
Commitment under Export Promotion Capital Goods (EPCG) scheme (see note 2 below)	8,95,75,320	8,95,75,320
Guarantees issued by banks	9,37,150	9,37,150
Claims against the Company not acknowledged as debts		
Employee state insurance (see note 3 below)	4,07,000	4,07,000
Employee provident fund (see note 4 below)	21,76,000	21,76,000
Severance compensation (see note 5 below)	4,57,18,955	4,57,18,955

Notes:

- Management believes that the position taken by it on the above matters are tenable and hence, no adjustment has been made to the financial statements. Future cash flows relating to above are determinable only on the receipt of judgment decision from relevant forum/authorities.
- The Company had obtained duty free/ concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2021, export obligations remaining to the fulfilled amounts to Rs 89,575,320 (Previous year: Rs 89,575,320). In the event that export obligations are not fulfilled, the Company would be liable to levies and liquidated damages. The Company's bankers have provided guarantees to the customs authorities in this regard.
- The Company had received a notice from the Employees State Insurance Appellate Tribunal (Period 2002-03 to 2005-06) wherein a demand of Rs. 407,000 (including interest estimated) has been raised against the Company on account of non - deduction of ESI on wages paid to factory workers under the heads repair and maintenance of building, others, transportation charges, staff welfare etc.
- The Company had received a notice from the Employees Provident Fund Appellate Tribunal wherein a demand of Rs. 2,176,000 has been raised against the Company on account of the non-deduction of provident fund on wages paid to the employees working in the peeling section in the factory. The tribunal has directed the provident fund authorities to find out the beneficiaries for the Company to remit the amount in their names. The Employee Provident Fund authorities have not taken any steps in this regard.
- V.S.Sitaram who ceased to be the CEO & Managing Director with effect from 25 July 2017, has filed an arbitration application against the Company before the Hon'ble City Civil Court at Bangalore and also filed Civil Miscellaneous Petition before the Hon'ble High Court of Karnataka, seeking for appointment of an Arbitrator. The Hon'ble High Court of Karnataka passed an order to appoint an arbitrator to settle the dispute between the parties vide the order no. dated 7 December 2018. The dispute pertains to the amount of severance compensation payable upon his termination.
- On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

29.0 Earning/Loss per share

Particulars	Year ended	
	31 March 2021	31 March 2020
Net profit/loss attributable to equity share holders	1,06,43,697	(13,33,37,422)
Weighted average number of equity shares of Rs. 10 each	10,81,68,586	10,22,66,547
Earnings per equity share of face value Rs 10 each	0.10	(1.30)

The Company has no potentially dilutive equity shares as at the year end.

30.0 Auditors' remuneration (included in legal and professional fees, excluding applicable taxes)

Particulars	Year ended	
	31 March 2021	31 March 2020
Statutory audit	8,25,000	10,17,500
Tax audit	75,000	1,17,500
Total	9,00,000	11,35,000

31.0 Expenditure in foreign currency

Particulars	Year ended	
	31 March 2021	31 March 2020
Travelling and conveyance	Nil	6,79,848
Consultancy/Audit Fee	33,049	-
Total	33,049	6,79,848

32.0 Earnings in foreign currency

Particulars	Year ended	
	31 March 2021	31 March 2020
FOB value of exports	15,25,76,755	8,50,45,980
Total	15,25,76,755	8,50,45,980

33.0 Value of imports on C.I.F. basis

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw material, packing materials and traded goods	4,44,13,514	4,49,94,453
Components and spare parts	1,77,289	16,37,960
Total	4,45,90,803	4,66,32,413

34.0 Consumption of imported and indigenous raw materials and packing materials

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	%	Value (Rs)	%	Value (Rs)
Raw materials and packing materials				
- Imported	7%	2,90,52,074	10%	3,67,36,473
- Indigenous	93%	40,90,65,134	90%	33,26,31,303
Total		43,81,17,208		36,93,67,776

35.0 Segmental information

The Company's operations pre-dominantly relate to manufacture and sale of frozen ready to eat / ready to cook foods. Accordingly, there are no separate reportable business segments.

However, the Company operates both in the India and also exports its products. Accordingly, secondary segment reporting has been disclosed based on the geographical location of the customers. All of the Company's assets other than trade receivables are located in India.

Revenue	Year ended 31 March 2021	Year ended 31 March 2020
India	70,24,71,061	70,57,97,233
Rest of the world	15,25,76,755	9,27,54,116
Total	85,50,47,816	79,85,51,349

Trade receivables	Year ended 31 March 2021	Year ended 31 March 2020
India	13,82,59,570	12,81,75,392
Rest of the world	3,61,16,057	3,44,76,550
Total	17,43,75,627	16,26,51,942

Capital Expenditure	Year ended 31 March 2021	Year ended 31 March 2020
	75,95,047	71,60,840

36.0 Leases

The Company is also obligated under cancellable operating leases for office and residential space. Total rental expense under cancellable operating leases during the year was Rs. 3,667,357 (Previous year: Rs 4,080,734).

37.0 Employee benefits**(a) Defined contribution plans**

The Company makes contribution towards provident fund which is a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. An amount of Rs.5,900,160 (previous year: Rs. 7,011,420) has been recognised and included in "Contribution to provident and other funds" in the statement of profit and loss on account of provident fund, superannuation and other retirement benefits.

(b) Gratuity

The following tables set out the status of the gratuity plan as required under Accounting Standard-15.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Obligations at the beginning of the year	91,80,900	73,94,793
Current service cost	14,08,939	14,57,849
Interest cost	5,02,551	4,93,433
Actuarial (gain) / loss	(7,32,455)	25,809
Past service cost		
Benefits paid	(7,90,096)	(1,90,984)
Obligations at the end of the year	95,69,839	91,80,900
Change in plan assets		
Plans assets at the beginning of the year, at fair value	70,79,068	65,60,319
Expected return on plan assets	3,82,326	4,46,673
Actuarial gain / (loss)	(2,27,044)	(22,478)
Contributions	-	2,85,538
Benefits paid	(7,90,096)	(1,90,984)
Plans assets at the end of the year, at fair value	64,44,254	70,79,068
Reconciliation of present value of the obligation and the fair value of the		
Fair value of plan assets at the end of the year	64,44,254	70,79,068
Present value of the defined benefit obligations at the end of the year	95,69,839	91,80,900
Net liability / (asset) recognized in the balance sheet	31,25,585	21,01,832
Gratuity cost for the year ended		
Current service cost	14,08,939	14,57,849
Interest cost	5,02,551	4,93,433
Expected return on plan assets	(3,82,326)	(4,46,673)
Actuarial (gain) / loss	-5,05,411	48,287
Past service cost		-
Net gratuity cost	10,23,753	15,52,896

Cont.. of Employee Benefit (b) Gratuity

Discount rate	6.20%	5.72%
Expected rate of return on plan assets	5.72%	6.76%
Expected rate of salary increase	4.00%	4.00%
Retirement age	55 or 58 years	55 or 58 years
Attrition	Graded rates from Age 35 - 26.47%, From Age 40 - 17.65%, From Age 45 - 8.82%, From Age 50 - 2%..	Graded rates from Age 35 - 25%, From Age 40 - 16.67%, From Age 45 - 8.33%, From Age 50 - 2%..

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

Details of experience adjustments – gratuity

Particulars	As at 31 March				
	2021	2020	2019	2018	2017
Defined benefit obligation	95,69,839	91,80,900	73,94,793	53,33,480	66,53,832
Plan assets	64,44,254	70,79,068	65,60,319	68,60,325	62,64,498
Surplus/(deficit)	(31,25,585)	(21,01,832)	(8,34,474)	(15,26,845)	3,89,334
Experience adjustment on plan liabilities	(5,32,522)	8,81,121	22,09,195	(13,56,898)	5,86,737
Experience adjustment on plan assets	2,27,044	22,478	(1,41,547)	(48,179)	10,233

(c) Compensated absences

Assumptions:	31 March 2021	31 March 2020
Discount rate	6.20%	5.72%
Expected rate of salary increase	4%	4%
Retirement age	55 or 58 years	55 or 58 years
Maximum accumulation of leave	90 days	90 days
Attrition rate	Graded rates from Age 35 - 25%, From Age 40 - 16.67%, From Age 45 - 8.33%, From Age 50 - 2%..	Graded rates from Age 35 - 25%, From Age 40 - 16.67%, From Age 45 - 8.33%, From Age 50 - 2%..

38.0 Derivatives

- a) The Company has not entered into any derivative contract during the year.
b) Particulars of un-hedged foreign currency exposure as at the balance sheet date.

Particulars	Un-hedged payables *		Un-hedged receivables **	
	Foreign currency	Rs	Foreign currency	Rs
USD and Rupee equivalent	-	-	-	-
Previous Year	-	-	4,68,622	3,44,76,550

* Un-hedged payables includes trade payables

** Un-hedged receivables includes trade receivables

39.0 Related parties

Names of related parties and description of relationship with the Company

I) Enterprises where control exists

Holding and ultimate holding company Peepul Capital Fund III , LLC , Mauritius

II) Other related parties with whom the group had transactions during the year

(a) Entities under common control

Oriental Cuisines Private Limited
Coastline Gourmet Private Limited
Unibcs Foods India Private Limited
Cura Healthcare Private Limited

(b) Key management personnel

Chief Executive Officer Mithun Appaiah
Whole time Director P Manoj Kumar
Chief Financial Officer Pradeepta Kumar Jena
Company Secretary Muhammed Rishwan

Name of related party	Nature of transaction	Volume of transactions		Outstanding balance [receivable /	
		Year ended 31 March 2021	Year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Remuneration paid					
Manoj Kumar	Remuneration paid	44,84,225	49,28,310	-	(2,71,382)
Mithun Appaiah	Remuneration paid	63,17,023	65,11,552	-	(2,45,994)
Vasudevan Namboothiri	Remuneration paid	-	6,71,034	-	-
Pradeepta Kumar Jena	Remuneration paid	25,01,534	11,27,457	-	-
Anjana Vijayan	Remuneration paid	-	1,94,833	-	-
Muhammed Rishwan	Salary	4,05,870	2,01,780	-	-
Revenue from operations					

Cont... from Related Parties.					
Name of related party	Nature of transaction	Volume of transactions		Outstanding balance (receivable /	
		Year ended 31 March 2021	Year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Oriental Cuisines Private Limited**	Revenue from operation	-	-	59,47,294	57,62,840
Cura Healthcare Private Limited*	Advance	-	12,39,396	(12,39,396)	12,39,396
Peepul Capital Fund III , LLC , Mauritius	Expense reimbursement	1,31,954	5,29,830	-	1,32,114
Peepul Capital Fund III , LLC , Mauritius	Equity shares allotted	-	15,00,00,000	-	-

*The Company has advanced an amount of Rs. 1,239,396 to Cura Health care Limited on 18 October 2019. This entry under corporate insolvency resolution process and accordingly the amount has been provided in statement of profit and loss account on a conservative basis

**The amount is outstanding for more than six months as on 31 March 2020. These are considered recoverable, but on a prudent basis, provision is made against outstanding balance in the books of accounts.

Note: Managerial remuneration does not include cost of retirement benefit such as gratuity and compensated absences since provision for the same are based on actuarial valuations carried out for the Company as a whole.

40.0 Previous year financial statements

The Financial Statements of the Company for the year ended 31 March 2020, were audited by B.S.R & Associates LLP, Chartered Accountants, the predecessor auditor.

41.0 Deferred taxes

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<i>Deferred tax liability</i>		
Arising from timing difference in respect of: Property, plant and equipment and intangible assets	1,98,77,150	2,33,70,960
Arising from timing difference in respect of: Gratuity & EL	6,41,109	-
<i>Deferred tax assets</i>		
Unabsorbed depreciation and business loss	2,05,18,260	2,33,70,960
Net deferred tax asset / (liability)	-	-

In accordance with AS 22 – "Accounting for taxes on income" prescribed by the Companies (Accounting Standards) Rules, 2006, deferred tax assets on unabsorbed depreciation and carry forward losses have been recognised on the basis of prudence, only to the extent of above mentioned net deferred tax liability.

42.0 Provision for disputed claims

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	24,18,837	60,43,061
Charge for the year	15,53,957	-
Amount written back/ utilised	-	36,24,224
Closing balance	39,72,794	24,18,837

Note: Provision for disputed claims represents provisions created against certain statutory and other claims where the outflow of economic benefits is considered as probable and the measurement has been done using a substantial degree of estimation.

43.0 Impact of Covid 19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. The Company has considered available internal and external information while finalising various estimates in relation to its financial results up to the date of approval of the financial results by the Board of Directors. Further, the Company has taken various measures to optimize its fixed cost. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of the balance sheet and as on date of signing of these financial results. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID - 19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statements for year ended 31 March 2021.

44.0 Previous year figures have been regrouped/ reclassified wherever necessary to confirm to the current year's presentation.

As per our report of even date attached

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366W/W-100018

for and on behalf of the Board of Directors of

Innovative Foods Limited

CIN : U51909KL1989PLC005465

Gurvinder Singh

Partner

Membership No.: 110128

Bangalore

Date: 23-JUL-2021

Mithun Appaiah

Director and Chief Executive Officer

DIN : 08484331

Bangalore

Date: 23-JUL-2021

P Manoj Kumar

Whole Time Director

DIN : 03527923

Kochi

Date: 23-JUL-2021

Pradeepta Kumar Jena

Chief Financial Officer

Bangalore

Date: 23-JUL-2021

Muhammed Rishwan

Company Secretary

Kochi

Date: 23-JUL-2021



INNOVATIVE FOODS LIMITED

Registered Office:

Chakolas Habitat, A Block, 1 C Thevara Ferry Road Cochin Kerala, India- 682013

Tel: 04782872349, E-mail: cosecy@sumeru.net

Website: www.sumeru.net