

INNOVATIVE FOODS LIMITED
28th ANNUAL REPORT 2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. V S Sitaram	Whole-time Director & Chief Executive Officer
Mr. P Manoj Kumar	Whole-Time Director
Mr. Arjun Ananth	Non-Executive and Nominee Director
Mr. Sreenivasulu Vudayagiri	Non-Executive and Nominee Director
Mr. Deepak Mittal	Non-Executive and Nominee Director
Ms. Riya Bhattacharya	Non-Executive and Nominee Director
Mr. Ajay Baijal	Independent Director
Mr. Mohamed Mansoor Ahmed	Independent Director

<u>STATUTORY AUDITORS</u>	<u>INTERNAL AUDITORS</u>	<u>SECRETARIAL AUDITOR</u>
BSR & Associates LLP Chartered Accountants 3rd Floor, Syama Business Centre, NH Bypass Road, Vyttila, Kochi - 682 019	M/s. PKF Sridhar & Santhanam, LLP Chartered Accountants KRD GEE GEECrystal, 7th Floor, 91-92, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004	Mr. A.S. Narayanan, Practicing Company Secretary, VI/331 Aishwaryam, Kottayi Nedumbassery P.O., Aluva 683585
<u>REGISTERED OFFICE</u>	<u>CORPORATE OFFICE</u>	<u>FACTORY</u>
Chakolas Habitat, A Block, 1 C, Thevara Ferry Road Cochin, Kerala - 682 013	#157/1, JP Classic, Silver corporate Block-1 Total Environment Campus, EPIP-Phase-2 KIADB, White Field, Bangalore - 560 066	Ezhupunna.P.O. Alapuzha Dt Kerala-688 537

BANKERS

HDFC Bank Limited

Salco Centre, Richmond Road,
Bangalore - 560 025

HDFC Bank

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

Kodak Mahindra Bank

Vallanatt, MG Road,
Ernakulam, Kochi 682035

State Bank of India

Overseas Branch, Cochin - 682 003

REGISTRAR AND SHARE TRANSFER AGENT

M/s. 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, Fax : 044-28142479
E-mail : csdstd@integratedindia.in

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INNOVATIVE FOODS LIMITED

CIN : U51909KL1989PLC005465

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

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

NOTICE OF THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting will be held on Wednesday, the 27th Day of September, 2017 at 10:30 A.M at Riviera Suites, Thevara Water Front, Kochi - 682 013 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss account for the year ended 31.03.2017 and the Balance Sheet of the company as at 31.03.2017 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Manoj Kumar. P., (DIN: 03527923), Whole Time Director, who retires at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the resolutions passed by the members at the 25th Annual General Meeting of the Company held on 30th September, 2014, the appointment of M/s. BSR & Associates LLP, Chartered Accountants, (Firm Registration No.: 116231W / W-100024) 3rd Floor, Syama Business Centre, NH Bypass Road, Vyttila, Kochi – 682 019, as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, be and is hereby ratified at a remuneration to be determined by the Board of Directors in consultation with the said Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Ajay Baijal (DIN: 00004943), who was appointed as an Additional, Non-Executive and Independent Director of the Company by the Board of Directors in terms of the provisions of Section 160 of the Companies Act, 2013 and the rules made thereunder, be and is hereby appointed as an Independent Non-Executive Director of the Company, to hold office for a period of five consecutive years, whose period of office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT Mr. P. Manoj Kumar (DIN: 03527923), Whole-Time Director of the company be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution.”

5. To consider and if thought fit to pass with or without modification the following as an Ordinary Resolution:

“RESOLVED THAT Ms.Riya Bhattacharya (DIN: 07071729), who was appointed as additional Nominee Director of the Company by the Board of Directors in terms of the provisions of Section 160 of the Companies Act, 2013 and the rules made thereunder, be and is hereby appointed as Nominee Director of the Company, whose period of office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. P. Manoj Kumar (DIN: 03527923), Whole-Time Director of the company be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution.”

6. To consider and if thought fit to pass with or without modification the following as an Special Resolution:

“RESOLVED THAT subject to the provisions of section 196,197,198 and 203 and other applicable provisions, if any, of the Companies Act,2013, read with schedule V of the Companies Act, 2013 and Rules made thereunder (Including any statutory modification or re-enactments thereof) consent of the company be and is hereby accorded for reappointment of Mr.P.Manoj Kumar (DIN 03527923)as whole-time director of the company from April 13, 2017 to April 13, 2020 (3years)on such terms and conditions including remuneration as approved by Board and Remuneration committee of the board and that he be paid remuneration subject to a maximum of Rs.75,00,000/-(Inclusive of perquisites and Allowances but excluding the units under the ESUP)”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution , the board of directors be and is hereby authorized to do all such acts , deeds , matters and things as may in their absolute discretion deem necessary , expedient , usual and proper in the best interest of the company.”

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

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

**Date : 18.08.2017
Place: Chennai**

Note.

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting. The proxy need not be a member of the company. The proxy to become effective should be deposited at the registered office of the company at least 48 hours before the meeting.
2. A person can act as proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights . A member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy of any other member . Proxies submitted on behalf of limited companies, societies ,etc, must be supported by an appropriate resolution/authority as applicable. The proxy-holder shall prove his identity at the time of attending the meeting.
3. Explanatory statement as required under section 102 of the Companies Act, 2013 is attached .

4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in and signed and photo ID proof for attending the Meeting.
5. Members are requested to:
 - a. Intimate to the Company/ Company's Registrar & Share Transfer Agent, changes if any, in their respective addresses along with the pin code number at an early date.
 - b. Quote Folio numbers in all their correspondences.
 - c. Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.
6. Non- Resident Indian Shareholders are requested to inform the Company immediately the change in the residential status on return to India for permanent settlement.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. The Route Map to reach the venue of the Annual General Meeting including prominent land mark for easy location is provided at the end of Annual Report
9. Relevancy of question and the order of speakers will be decided by the Chairman. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the information ready. Members are requested to bring their copy of Annual Report along with them at the meeting.
10. Members may also note that the Annual Report for the FY 2016-17 will also be available on the Company's website www.sumeru.net for their download.
11. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
12. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent at the following address:

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
13. 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.
14. The members who have cast their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. The result of the poll with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall be displayed on the Notice Board of the company at its Registered Office and its Head Office in Ezhupunna, and shall also be placed on the website.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the members are provided with the facility to cast their votes on resolutions through e-voting services provided by Central Depository Services (India) Limited ("CDSL").
17. 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.

18. The record date for ascertaining the eligible shareholders for the purpose of e-voting shall be 19th September, 2017 and the register of members and share transfer registers will remain closed from 20th September, 2017 to 27th September, 2017.

Instructions for Voting through electronic mode are as under:-

1. The voting period begins on 24th September, 2017 (09.00 a.m.) and ends on 26th September, 2017 (5.00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, Thursday, 19th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The Shareholders should log on to the e-voting website (www.evotingindia.com)
4. Click on "Shareholders" tab
5. Now Enter your User ID

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction 5.

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
 7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 8. If you are a first time user follow the steps given below:
 9. After entering these details appropriately, click on "SUBMIT" tab.
 10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the <INNOVATIVE FOODS LIMITED> to vote.
13. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
14. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
16. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote or cast the vote again.
17. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Note for Non – Individual Shareholders and Custodians:
 - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
21. The following person shall be responsible to address grievances concerned with facility for remote e-voting:
Contact Name – Mr. Rakesh Dalvi, Designation - Deputy Manager, Address - 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001. Contact No.18002005533.
Email id - helpdesk.evoting@cdslindia.com.

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

Item No: 4

Your Directors have appointed Mr. Ajay Baijal as an Additional and Independent Director on the Board of the Company effective from 11th January 2017, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013. As per the provisions of Section 161 of the Act, Mr. Ajay Baijal will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Act, along with a deposit of 1,00,000/- proposing the candidature of Mr. Ajay Baijal as a Non-Executive and Independent Director of the Company to hold office for a period of five consecutive years with effect from 11th January 2017, whose period of office shall not be liable to retire by rotation.

The Company has received from Mr. Ajay Baijal, consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR – 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The Company has also intimated Mr. Ajay Baijal about his duties and functions as provided in Section 166, 149 and Schedule IV of the Companies Act, 2013 and he has accepted the terms and conditions and has consented to be appointed as the Independent Director. In the opinion of the Board Mr. Ajay Baijal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Except Mr. Ajay Baijal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. Your Directors recommend the ordinary resolution set out under item no. 4 of the Notice for approval by the shareholders.

Item No: 5

Your Directors have appointed Ms. Riya Bhattacharya, as additional Nominee Director on the Board of the Company effective from 01st November 2016, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013. He holds office till the date of this meeting and his appointment is to be regularized at this AGM. The Company has received notice in writing under the provisions of Section 160 of the Act, along with a deposit of 1,00,000/- proposing the candidature of Ms. Riya Bhattacharya as a Non- Executive, Nominee Director of the Company whose period of office shall not be liable to retire by rotation.

The Company has received from Ms. Riya Bhattacharya, consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR – 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

Except Ms. Riya Bhattacharya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. Your Directors recommend the ordinary resolution set out under item no. 5 of the Notice for approval by the shareholders.

Item No: 6

I. General Information

- i. Nature of Industry : the Company is engaged in Food Processing Industry
- ii. Date of Commencement of Commercial Production: The company is in operation from 1989 onwards
- iii. Financial Performance of the company:

Financial highlights		
Particulars	31.03.2017 (Rs. In Million)	31.03.2016 (Rs. In Million)
Turnover	547.67	491.85
Other Income	32.18	15.76
Total Revenue	573.17	507.61
Total Expense	671.57	604.37
Profit/Loss before Tax	(98.40)	(96.76)
Profit/Loss after Tax	(98.40)	(96.76)

II. Information about Appointee

1. i. Background details : Mr.P.Manoj Kumar is a graduate in science with specialization in Zoology. He is having post graduate qualification in Human Resource Management and in Social Service. He is a life member of National Institute of Personal Management (NIPM)
- ii Job Profile : Mr.P.Manoj Kumar has more than 12 years of experience with the Taj Group of Hotels (IHCL) as human Resources Manager in Various units. Then he was associated with Leela Kempinski as HR Manager. Mr.P.Manoj Kumar joined Innovative Foods limited in the year of 2006.
- iii. Past Remuneration : maximum of Rs.75,00,000/-(Rupees Seventy Five Lakhs only) which is Inclusive of perquisites and Allowances but excluding the units under ESUP.

2. Remuneration Proposed

Basic Salary of Rs.28,08,000/- and other Allowances of Rs.23,13,600/-.He is also eligible for performance bonus as per company policy, Provident Fund and Gratuity are as per the Act, Unavailed Leave encashment at the end of financial year, Leave eligibility are as per company policy and Travel Expenses as and when required by the company for the purpose subject to a maximum of Rs.75,00,000/-(Rupees Seventy Five Lakhs only) which is excluding ESUP Units,.

3. Comparative Remuneration profile with respect to industry , Size of the company, profile of the position and person:
 - i. the remuneration proposed is comparable with normal salaries that are being paid in the industry and with reference to the size and nature of the industry. the proposed remuneration is the optimum for a person with similar profile in food processing industry.
 - ii. In case of expatriates the relevant details would be w.r.t. the country of origin : NA
4. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: The appointee has no pecuniary relationship either directly or indirectly with the company.

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

Sd/-

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

Date : 18.08.2017

Place: Chennai

DIRECTORS' REPORT

To,

Members of Innovative Foods Limited

Dear Members,

The Directors are pleased to present the 28th Annual Report of the company with the audited financial statements of the Company for the Year ended March 31, 2017 ("Year").

1. FINANCIAL HIGHLIGHTS

The financial performance of the company for the year ending 31st March 2017 is given below,

Financial highlights		
Particulars	31.03.2017 (Rs. In Million)	31.03.2016 (Rs. In Million)
Turnover	547.67	491.85
Other Income	32.18	15.76
Total Revenue	573.17	507.61
Total Expense	671.57	604.37
Profit/Loss before Tax	(98.40)	(96.76)
Profit/Loss after Tax	(98.40)	(96.76)

2. STATE OF COMPANY'S AFFAIRS

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

There is an increase in the Company's turnover during the Financial Year and due to increase in expenses during the period, there is a loss of Rs.984 Lakhs. However, the Company has received orders from new clients and it is expected that the business will improve in next year. Directors are taking steps to improve performance in the coming year also.

3. DIVIDEND

Since the company's operations for the year under review has resulted in loss, no dividend can be recommended for the year.

4. EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 1 and is attached to this Report.

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

The Company had seven 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 Meetings						
	27.04.2016	16.05.2016	12.08.2016	11.11.2016	20.01.2017	17.03.2017	30.03.2017
Mr.V.S.Sitaram	P	P	P	P	P	P	P
Mr.P.Manoj Kumar	P	P	P	P	P	P	P
Mr.Venkat Shankar	P	P	Resigned	-	-	-	-
Mr.Sreenivasulu Vudayagiri	LOA	LOA	LOA	LOA	LOA	LOA	P
Mr.Deepak Mittal	LOA	LOA	LOA	LOA	LOA	P	LOA
Mr.Mohamed MansoorAhmed	Appointed	P	P	P	P	P	P
Mr.Krishnan Naganathan	Appointed	LOA	Resigned	-	-	-	-
Mr.Arjun Ananth	NA	NA	P	P	P	P	P
Mr.Somashekar.V.G.	NA	NA	P	P	P	LOA	Resigned
Mr.Venugopala Rao Chittory	NA	NA	LOA	Resigned	-	-	-
Ms.Riya Battacharya	NA	NA	NA	P	P	P	P
Mr.Ajay Baijal	NA	NA	NA	NA	P	LOA	P

6. DIRECTORS RESPONSIBILITY STATEMENTS.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. 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

There were no Frauds Reported during the year.

8. DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The Company has received declaration from Independent Directors under Sub-Section (6) of Section 149.

9. BOARD COMMITTEES

a. Audit Committee

The audit committee of the company constitutes the following members:

Reconstituted on 27.04.16	Reconstituted on 12 .08.16	Reconstituted on 20.01.17
➤ Mr.Mohammed Mansoor Ahmed	➤ Mr.Mohammed Mansoor Ahmed	➤ Mr.Mohammed Mansoor Ahmed
➤ Mr.Krishnan Naganathan	➤ Mr.Krishnan Naganathan	➤ Mr.Ajay Baijal
➤ Mr.Venkat Shankar	➤ Mr.Somasekar.V.G.	➤ Mr.Somasekar.V.G.

b. Nomination Remuneration Committee

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

Reconstituted on 27.04.16	Reconstituted on 12 .08.16	Reconstituted on 20.01.17
➤ Mr.Mohammed Mansoor Ahmed	➤ Mr.Mohammed Mansoor Ahmed	➤ Mr.Mohammed Mansoor Ahmed
➤ Mr.Krishnan Naganathan	➤ Mr.Krishnan Naganathan	➤ Mr.Ajay Baijal
➤ Mr.Venkat Shankar	➤ Mr.Somasekar.V.G.	➤ Mr.Somasekar.V.G.

c. Stakeholder relationship Committee

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

From 15.03.2016	Reconstituted on 12.08.16
➤ Mr. V S Sitaram	➤ Mr.V.S.Sitaram
➤ Mr. Manoj Kumar P	➤ Mr.Manoj Kumar.P.
➤ Mr. Venkat Shankar	➤ Mr.Somasekar.V.G.

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

The qualifications, reservations or adverse remarks made by the Practicing Company Secretary in their report and the comments of the Directors :

- Point no. (1) and (2) of “Secretarial Audit Report”

Necessary steps are being taken by the Company to appoint Key Managerial Personnel.

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

The Company has not given any Loans, guarantees as well as no investment under Sec 186 of Companies Act 2013.

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

Form AOC 2 Attached as Annexure 2

13. TRANSFER TO RESERVES

The Company does not have any profits for the year. Hence no transfer to reserves.

14. 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.

15. 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

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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 3 and is attached to this report.

17. RISK MANAGEMENT POLICY:-

The Company has a proper risk management policy towards operations and administrative affairs of the Company. The Whole-time Directors will review the Policy at regular intervals of time and ensure proper Implementation of the policy formulated.

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

CSR activity is not applicable to the company.

19. ANNUAL EVALUATION:- .

A separate exercise is carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as levels of engagement and contribution, attendance of Board Meetings and Committee Meetings, independence of judgments, safeguarding the interest of the Company etc.

20. DISCLOSURE UNDER OTHER PROVISIONS OF COMPANIES ACT 2013

i) Share Capital –

During the year company has increased its authorized capital from 68 crores to 115 crores after obtaining approval from the shareholders.

The Company has not issued any Sweat Equity Shares, and not called for Buy back of Shares during the current financial year.

- 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 of Equity shares: As per the approval from shareholders on EGM dated 16.03.2017, board approved the following issue.

Sl.No	Name and Address	Status	No. of Equity shares to be issued	Amount (Rs.)	Total amount including premium (Rs.)
1	Peepul Capital Fund III LLC St. Louis Business Centre, Cnr Desroches & St. Louis Streets, Port Louis, Mauritius	Foreign Company	13154520	131545200	20,00,00,006.63

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

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

The company is not required to establish a vigil mechanism.

22. 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.

23. 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): Not Applicable since the company is not listed.

24. CORPORATE GOVERNANCE CERTIFICATE:

The Company is not a listed Company. Hence corporate governance as stipulated in Clause 49 of the Listing agreement is not applicable.

25. STATUTORY AUDITORS

It is proposed to ratify and re-appoint the existing Statutory Auditors of the company M/s. BSR & Associates LLP, Chartered Accountants (Firm Registration No.: 116231W / W-100024) 3rd Floor, Syama Business Centre, NH Bypass Road, Vyttila, Kochi - 682 019 for the financial year 2016-17 at remuneration as fixed by the board of Directors.

The Company has received a letter from M/s. BSR & Associates LLP, Chartered Accountants, to the effect that their appointment as Statutory Auditors, if made, would be compliance under section(s) 139 and 141(3)g and applicable provisions of the companies Act 2013 and they are not disqualified for such appointment.

26.MATTERS REQUIRED TO 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 2
- c) Conservation of energy, Technology absorption, Foreign exchange earnings and Outgo- Rule 8(3):ANNEXURE 3
- 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 below:

Sl.No	Name of Directors	During year 2016-17	
		Appointment	Resignation
1	Mr. Muhammed Mansoor Ahmed, Independent Director	27-04-2016	-
2	Mr.Krishnan Naganathan, Independent Director	27-04-2016	02-08-2016
3	Mr.Arjun Ananth, Nominee Director	20-05-2016	-
4	Mr.Somashekar.V.G., Nominee Director	21-05-2016	28-02-2017
5	Mr.Venogopala Rao Chittory	26-07-2016	01-11-2016
6	Mr.Venkat Shankar	-	26-07-2016
7	Ms.Riya Bhattacharya, Nominee director	01-11-2016	-
8	Mr.Ajay Baijal, Independent Director	11-01-2017	-

Disqualifications of directors-NIL

- (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. Further the company is not a listed company hence reporting on this clause does not arises

27. DISCLOSURES ABOUT CSR POLICY. Rule 9

CSR activity is not applicable to the company.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during each calendar year.

- No of complaints received: NIL
- No of complaints disposed off: N.A

29. ACKNOWLEDGMENTS

Your Directors place on record their sincere thanks to bankers, employees, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

By order of the Board of Directors

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

Sd/-
Arjun Ananth
Nominee Director
DIN : 01207540

Date : 18.08.2017
Place : Chennai

Annexure to Directors' Report for the year ended March 31, 2016

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/-

Place : Aluva
Date : 11.08.2017

A.S.Narayanan
Company Secretary in Practice
ACS M No 6972
CP No 8147

FORM NO. MR -3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2017

[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). Secretarial Audit was conducted for the financial year ended on 31.03.2017 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 31.03.2017 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, 2017, 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; ---- Not applicable
- 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 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;
 - 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

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, non-compliance exists.

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 is yet to appoint Chief Financial Officer (Key Managerial Personnel) as prescribed under Section 203 of the Companies Act 2013, read with rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. The company is yet to appoint a Whole-time Company Secretary as prescribed under Section 203 of the Companies Act 2013, read with rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. I understand that the entries in the statutory register have been updated now.

I further report that

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

During the year under review, there were no Independent directors between the period 1st April 2016 and 26th April 2016. There was only one Independent Director between 3rd August 2016 and 10th January 2017.

The Board is yet to decide on the directors liable to retire by rotation as required under Section 152(6) of the Act. The number of retiring and non-retiring directors is not in accordance with the provisions of clauses (a) and (c) of sub-section 6 of section 152 of the Act. At the extra ordinary general meeting held on 16th March 2017, the Company has inserted an article inter-alia stating that the directors nominated by the promoters will not be liable to retire by rotation and as a result the Company will not be able to comply with the relevant provisions with regard to the determination of directors liable to retire by rotation.

While filing the form for Mr. Mohamed Mansoor Ahamed after his appointment as Independent Director was confirmed at the Annual General Meeting held on 29.09.2016; though the category of the appointment was shown as "Independent", his designation on the List of Signatory Details (on the MCA 21 Portal) is as "Director" and not as "Independent Director". This has to be rectified.

Adequate notice and detailed notes on agenda were not seen given to all directors in respect of certain Board Meetings. It is understood that a system however exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes. I understand that there were no dissenting views for being captured in the minutes.

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

I further report that 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. The members have given their approval for increasing the authorized share capital of the company from Rs. 68 crores (divided into 6,80,00,000 equity shares of Rs. 10/- each) to Rs. 115 crores (divided into 11,50,00,000 equity shares of Rs. 10/- each) at the Extra-Ordinary General Meeting held on 16th March 2017.
- b. Private placement of 1,31,54,520 equity shares of Rs. 10/- each at a premium of Rs. 5.2039 per equity share aggregating to Rs. 20,00,00,006.63/- to Peepul Capital Fund III LLC, Mauritius, allotment of which was made on 30th March 2017 and return of allotment was filed on 29.04.2017.

Sd/-

Place: Aluva
Date: 11.08.2017

A.S.Narayanan
Company Secretary in Practice
ACS M No 6972
CP No 8147

**ANNEXURE -1
FORM NO. MGT 9**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st MARCH 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

REGISTRATION & OTHER DETAILS:

1.	CIN	U51909KL1989PLC005465
2.	Registration Date	01/09/1989
3.	Name of the Company	Innovative Foods Limited
4.	Category/Sub-category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Chakolas Habitat, A Block, 1C, Thevara Ferry Road, Cochin – 682013 Ph: +91-478 2872349 Website : www.sumeru.net E-mail : info@sumeru.net
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Limited 2 nd 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Frozen Foods Products	99881	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	Holding/Subsidiary/ Associate	% of Shares held
1	PEEPUL CAPITAL FUND III LLC St. Louis Business Centre, CnrDesroches & St. Louis Streets, Port Louis, Mauritius	Holding Company	98.960

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

(a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL(A1)	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRI/Foreign	0	0	0	0.000	0	0	0	0.000	
b) Bodies Corp.	60014066	0	60014066	98.735	73168586	0	73168586	98.960	0.225
c) Institutions	0	0	0	0.000	0	0	0	0.000	
d) Qualified FI	0	0	0	0.000	0	0	0	0.000	
e) Any other (Specify)	0	0	0	0.000	0	0	0	0.000	
SUB TOTAL(A2)	60014066	0	60014066	98.735	73168586	0	73168586	98.960	0.225
Total Shareholding of Promoter and Promoter Group (A)=A(1)+A(2)	60014066	0	60014066	98.735	73168586	0	73168586	98.960	0.225
B. Public Shareholding									
1.Institutions									
a) MFs / UTI	0	5850	5850	0.010	0	5850	5850	0.008	
b) FIs / Banks	10	50	60	0.000	10	50	60	0.000	
c) Central Govt	0	0	0	0.000	0	0	0	0.000	
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	
g) FIIs	0	0	0	0.000	0	0	0	0.000	
h) Foreign Venture Capital Investors	0	0	0	0.000	0	0	0	0.000	
i) Qualified FI	0	0	0	0.000	0	0	0	0.000	
j) Any Other (Specify)	0	0	0	0.000	0	0	0	0.000	
SUB TOTAL B(1)	10	5900	5910	0.010	10	5900	5910	0.008	0.000
2. Non- Institutions									
a) Bodies Corp. Indian/Foreign/ Overseas	36739	134690	171429	0.282	36699	134690	171359	0.232	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals (Resident / NRI/ Foreign National)	0	0	0	0.000	0	0	0	0.000	
(i) Individual Shareholders holding Nominal Share Capital up to Rs. 1 Lakh	209084	238115	447199	0.736	209823	237345	447168	0.605	
(ii) Individual Shareholders holding Nominal Share Capital above Rs. 1 Lakh	19826	120000	139826	0.230	19826	120000	139826	0.189	
c) Any other (Specify)	4830	0	4830	0.008	4901	0	4901	0.007	
SUB TOTAL B(2)	270479	492805	763284	1.256	271249	492035	763284	1.032	-0.224
Total Public Share Holding (B)=B(1)+B(2)	270489	498705	769194	1.265	271259	497935	769194	1.040	-0.225
C. Shares held by Custodians and which Depository Receipts have been issued	0	0	0	0.000	0	0	0	0.000	
GRAND TOTAL (A)+(B)+(C)	60284555	498705	60783260	100.00	73439845	497935	73937780	100.00	0.000

(ii) Shareholding of Promoter-&Promoter groups :

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	PEEPUL CAPITAL FUND III LLC	60014066	98.735	0	73168586	98.960	0	0.225

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

DATE	NAME	Opening balance	Bought	Sold	Closing balance	% of total shares of the company	Allotment/ Transfer
30-03-17	PEEPUL CAPITAL FUND III LLC	60014066	13154520	0	73168586	98.960	Allotment

(iv) Top ten shareholders (other than Directors, Promotor and holders of GDRs & ADRs)

S.No	NAME	Shares as on 31/03/2016	Shares as on 31/03/2017
1	BALARK BANERJEA	120000	120000
2	SAUDI FISHERIES COMPANY	93750	93750
3	SAUDI FISHERIES COMPANY	31250	31250
4	AMALGAM FOODS LIMITED	0	20000
5	HITESH RAMJI JAVERI	19826	19826
6	RESIDENCY FOODS AND BEVERAGES LIMITED	9519	9519
7	Nikunj Pravin Shah	6055	6055
8	HITESH KUVELKAR	4971	4971
9	KAMLESH NEMICHAND GUPTA	4844	4844
10	BANK OF INDIA BOI MUTUAL FUND	4530	4530
11	KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION	20000	0

(v). Shareholding of Directors and Key Managerial Personnel :

SI.No.	NAME	Shareholding at the beginning of the year	Shareholding at the end of the year
		No.of Shares	No.of Shares
1	Manoj Kumar.P.	0	11
2	V S Sitaram	0	1

(vi).Transactions of directors of the company during the FY 2016-17 :

DATE	NAME	Opening balance	Bought	Sold	Closing Balance	% of shareholding
01.04.2016	Manoj Kumar.P.	0	0	0	0	0.00001
17.05.2016		0	50	0	50	
19.09.2016		50	0	39	11	
31.03.2017		11	0	0	11	
01.04.2016	V S Sitaram	0	0	0	0	0.0000
11.11.2016		0	1	0	1	
31.03.2017		1	0	0	1	

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Rs in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,12,96,169.57	0	0	2,12,96,169.57
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
* Addition	97,79,337.43	0	0	97,79,337.43
* Reduction	(50,00,000.00)	0	0	(50,00,000.00)
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	2,60,75,507.00	0	0	2,60,75,507.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2,60,75,507.00	0	0	2,60,75,507.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Rs

SN.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		V.S. SITARAM	P. MANOJ KUMAR	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	146,88,673.00	42,56,631	189,45,304
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	0	39,600
	(c) Profits in lieu of salary under section 17(3)			
	Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	147,28,273	42,56,631	189,84,904

Remuneration payable is as per Section 2 of Part II of Schedule V of the Companies Act,2013.

B. Remuneration to other directors - NIL

SN.	Particulars of Remuneration	Name of Independent Directors				Total Amount
		Ajay Baijal		Muhammed Mansoor		
	<div>· Sitting Fee for attending board meetings</div> <div>· Sitting Fee for Attending committee meetings</div> <div>· Others, please specify Travelling Allowance</div>	50000/-		80000/-		130000
	Total(1)	50000/-		80000/-		130000
		Name of other Non Executive Directors				
		Arjun Ananth	Sreenivasulu Vudayagiri	Riya Battacharya	Deepak Mittal	
	<div>· Sitting Fee for attending board meetings</div> <div>· Sitting Fee for Attending committee meetings</div> <div>· Others, please specify</div>	-	-	-	-	
	Total(2)	130000/-				
	Total(B)=(1+2)	19114904/-				
	Total Managerial Remuneration					

Remuneration payable is as per Section 2 of Part II of Schedule V of the Companies Act,2013.

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Point No:VI.A*			
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit others, specify...				
5	Others, please specify				
	Total				

*Mr.V.S.Sitaram –Whole-Time Director and CEO

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fee imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTOR					
Penalty					
Punishment					
Compounding					
C. OTHER					
OFFICERS					
IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE -2

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 not at arm's length basis - NIL

ANNEXURE-3

(A)	Conservation of energy-	
	(i) the steps taken or impact on conservation of energy;	Installed thermic fluid heater for process heating.
	(ii) the steps taken by the company for utilizing alternate sources of energy;	Changed the mode of process heating from LPG to thermic fluid, effective utilization was made this year.
	(iii) the capital investment on energy conservation equipments;	Capital Investment plans are being made.
(B)	Technology absorption-	
	(i) the efforts made towards technology absorption;	The company does not use any foreign technology.
	(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)-	N.A
	(a) the details of technology imported;	N.A
	(b) the year of import;	N.A
	(c) whether the technology been fully absorbed;	N.A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	N.A
	(iv) the expenditure incurred on Research and Development.	N.A
(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.	<u>Foreign Exchange Earnings:</u> 1. FOB value of exports: Rs.68620701/- 2. Foreign Exchange Outgo: Rs.69938879

By order of the Board of Directors

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

Date : 18.08.2017
Place : Chennai

Sd/-
Arjun Ananth
Nominee Director
DIN : 01207540

**Independent Auditors' Report
To the Members of Innovative Foods Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Innovative Foods Limited (the "Company"), which comprise the balance sheet as at 31 March 2017, 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.

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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.27 to the financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts, which are required to be transferred to the Investor Education and Protection Fund by the Company
 - iv. the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 2.43 to the standalone financial statements

for B S R & Associates LLP

Chartered Accountants

Firm's registration number: 116231W/W-100024

Sd/-

Chandrashekhar B

Partner

Membership number: 114161

Chennai

18 August 2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained for significant account balances.
- (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 ('the Act'). Thus paragraph 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not granted loans, investments, guarantees, and security to companies, firms or other parties and section 185 and 186 of the Act is not applicable to the Company. Thus, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public and accordingly paragraph 3(v) of the said order is applicable.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have been generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of customs duty, excise duty, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of income tax and sales tax / value added tax have not been deposited on account of dispute.

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest thereon	53690	FY 2007-18	The Assistant Commissioner Income Tax, Cochin
The Kerala Value Added Tax, 2003	Sales tax demand	456810	FY 2010-11	The Deputy Commissioner (Appeals), Cochin
The Kerala Value Added Tax, 2003	Sales tax demand	4971379	FY 2010-11	The sales tax appellate tribunal, Ernakulam
The Kerala Value Added Tax, 2003	Sales tax and interest demand	2287635	FY 2013-14	The Deputy Commissioner (Appeals), Cochin
The Kerala Value Added Tax, 2003	Sales tax and interest demand	1571632	FY 2009-10	The sales tax appellate tribunal, Ernakulam
Employees' State Insurance Act, 1948	Employee's state insurance contribution and interest	407000	FY 2002-03 & FY 2005-06	Employees' State Insurance Appellate Tribunal
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund contribution and interest	2176000	VARIOUS	Employee Provident Fund Appellate Tribunal
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund contribution and interest	1445400	FY 2016-17	Employees Provident Fund commissioner, Cochin

- (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 banks. The Company did not have any loans or borrowings from financial institutions, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer and term loans. Accordingly paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by Accounting Standard (AS) 18 - "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has made private placement of shares during the year. The requirement of section 42 of the Companies Act 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised. Further the following amounts raised during the year has not been utilized by the Company as at 31 March 2017:

Nature of securities	Purpose for which funds	Total amount raised during the year ended 31 March 2017	Amount utilized for the purpose during the year ended 31 March 2017	Unutilised balance as at 31 March 2017	Remarks
Equity shares	Working capital requirements	Rs. 20 Crores	NIL	Rs. 20 Crores	Un-utilised balance lying in current account included in cash and bank balances (refer Note 2.15) of the accompanying financial statements

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Associates LLP

Chartered Accountants

Firm's registration number: 116231W/ W-100024

Sd/-

Chandrashekhar B

Partner

Membership number: 114161

Chennai

18 August 2017

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Innovative Foods Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

Sd/-

Chandrashekhar B

Partner

Membership number: 114161

Chennai

18 August 2017

Innovative Foods Limited**Balance sheet as at 31 March 2017**

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

	Notes	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	739,377,800	607,832,600
Reserves and surplus	2.02	(252,293,475)	(222,350,828)
		487,084,325	385,481,772
Non-current liabilities			
Other long-term liabilities	2.03	5,319,061	2,820,567
Long-term provisions	2.04	9,462,697	6,925,259
		14,781,758	9,745,826
Current liabilities			
Short-term borrowings	2.05	26,075,507	21,296,170
Trade payables	2.06		
Total outstanding dues to micro enterprises and small enterprises		1,640,504	1,293,092
Total outstanding dues to creditors other than micro enterprises and small enterprises		39,181,406	20,962,117
Other current liabilities	2.07	89,795,524	71,182,464
Short-term provisions	2.08	1,017,860	1,843,912
		157,710,801	116,577,755
		659,576,884	511,805,353
ASSETS			
Non-current assets			
Property Plant & Equipment	2.09	92,163,815	88,420,342
Intangible fixed assets	2.10	2,100,293	2,510,318
Capital work-in progress		2,420,645	750,000
Long-term loans and advances	2.11	29,073,222	12,339,335
Other non-current assets	2.12	2,069,708	1,930,080
	2.13	127,827,683	105,950,075

Innovative Foods Limited**Balance sheet as at 31 March 2017**

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

	Notes	As at 31 March 2017	As at 31 March 2016
Current assets			
Inventories		66,190,206	60,747,553
Trade receivables	2.14	99,922,964	65,603,349
Cash and bank balances	2.15	353,919,545	272,168,343
Short-term loans and advances	2.16	9,466,155	6,123,400
Other current assets	2.17	2,250,331	1,212,633
		531,749,201	405,855,278
		659,576,884	511,805,353

Significant accounting policies

1

The notes referred above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP***Chartered Accountants*

Firm registration number: 116231W /W-100024

for and on behalf of the Board of Directors of**Innovative Foods Limited**

CIN : U51909KL1989PLC005465

Sd/-

Chandrasekhar B*Partner*

Membership No.: 114161

Sd/-

P Manoj Kumar*Whole-time Director*

DIN : 03527923

Sd/-

Arjun Ananth*Nominee Director*

DIN : 01207540

Chennai

18 August 2017

Chennai

18 August 2017

Innovative Foods Limited**Statement of profit and loss for the year ended 31 March 2017**

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

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Sales, net of sales returns	2.18	547,671,402	497,998,695
Less: excise duty		6,678,464	6,154,075
Net sales		540,992,938	491,844,620
Other income	2.19	32,176,191	15,765,758
Total Revenue		573,169,129	507,610,378
Expenses			
Cost of materials consumed	2.20	223,925,274	209,267,986
Purchase of stock-in-trade	2.21	73,271,029	56,679,180
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.22	(1,466,295)	10,671,125
Employee benefits expense	2.23	115,867,765	87,623,158
Finance costs	2.24	2,254,535	8,383,179
Depreciation and amortization	2.25	12,609,094	14,775,411
Other expenses	2.26	245,105,181	216,978,457
Total expenses		671,566,583	604,378,496
Loss before tax		(98,397,454)	(96,768,118)
Income tax		-	-
Loss after tax		(98,397,454)	(96,768,118)
Loss per share (equity share of par value Rs 10 each)			
Basic and diluted	2.28	(1.62)	(2.25)

Significant accounting policies

1

The notes referred above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP***Chartered Accountants*

Firm registration number: 116231W /W-100024

for and on behalf of the Board of Directors of**Innovative Foods Limited**

CIN : U51909KL1989PLC005465

Sd/-

Chandrasekhar B*Partner*

Membership No.: 114161

Sd/-

P Manoj Kumar*Whole-time Director*

DIN : 03527923

Sd/-

Arjun Ananth*Nominee Director*

DIN : 01207540

Chennai

18 August 2017

Chennai

18 August 2017

Innovative Foods Limited**Cash flow statement for the year ended 31 March 2017**

(All amount are Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities		
Loss before taxation	(98,397,454)	(96,768,118)
Adjustments:		
Depreciation and amortisation	12,609,094	14,775,411
Provision for doubtful Trade Receivable	-	214,097
Profit on sale of mutual fund investments	-	(2,300,000)
Interest income	(16,331,119)	(4,643,528)
Interest charges	2,254,535	8,383,179
Unrealised foreign exchange loss, net	404,821	562,992
Provision no-longer required written-back	-	(598,459)
Profit on sale of fixed assets	(11,193,291)	(4,320,649)
Operating cash flows before working capital changes	(110,653,414)	(84,695,075)
(Increase) / Decrease in trade receivables	(34,596,043)	26,270,560
(Increase) / Decrease in inventories	(5,442,653)	10,510,436
(Increase) / Decrease in loans and advances and Other Assets	(2,639,922)	28,655,652
Increase / (Decrease) in liabilities and provisions	37,676,256	5,755,601
Net cash generated from operating activities before taxes	(115,655,776)	(13,502,826)
Income tax paid (Net)	(1,650,582)	(573,230)
Net cash generated from used in operating activities (A)	(117,306,358)	(14,076,056)
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,699,548)	(2,294,574)
Proceeds from sale of property, plant and equipment	23,800,000	5,900,531
Interest received	15,153,793	3,789,703
Net cash generated/(used) in investing activities (B)	(3,745,755)	7,395,660
Cash flows from financing activities		
Proceeds from issue of shares	200,000,007	329,276,900
Proceeds from sale of investments	-	3,700,000
Short term borrowing (repaid) / availed, net	5,057,843	(52,120,312)
Interest paid	(2,243,535)	(8,981,638)
Net cash generated from financing activities (C)	202,803,315	271,874,950
Net decrease in cash and cash equivalents (A+B+C)	81,751,202	265,194,554
Cash and cash equivalents at beginning of year	272,168,343	6,971,159
Effect of Exchange gain/Loss on Cash/Cash Equivalents	-	2,630
Cash and cash equivalents at end of the year (refer note 2.15)	353,919,545	272,168,343

Significant accounting policies (refer note 1)

The notes referred above integral part of the Financial Statement

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W /W-100024

sd/-

Chandrasekhar B

Partner

Membership No.: 114161

for and on behalf of the Board of Directors of

Innovative Foods Limited

CIN : U51909KL1989PLC005465

sd/-

P Manoj Kumar

Whole-time Director

DIN : 03527923

sd/-

Arjun Ananth

Nominee Director

DIN : 01207540

Chennai

18 August 2017

Chennai

18 August 2017

1. 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 cook products. The registered office of the Company is at Kochi, Kerala. Effective from 28 January 2016, 98.23% shareholding in the Company was acquired by Peepul Capital Fund III, LLC, Mauritius, the holding company from the erstwhile holding company Avacero Equity Holdings Limited, Mauritius.

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 the 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. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. 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 2017 was Rs. 739,377,800 and Rs. 514,800,306 respectively. The Company has incurred cash losses during the current and 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, post-sales customer support 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 sales tax, discounts and sales returns. Revenue from sale of goods is presented both gross and net of excise duty.

Interest on deployment of 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 equipment 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 amortization and impairment. Intangible assets are recorded at their acquisition cost.

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 five years to ten 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*	4-15
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. (Refer note 2.9 and 2.10).

**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 does not exceed the book value that would have been determined; if no impairment loss has been recognized.

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 non-monetary 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.

(iii). Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and 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 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.

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 Loss per share

The basic and diluted loss per share is computed by dividing the net 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

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis 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 and cash on deposit 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.

Innovative Foods Limited
Notes to the financial statements (continued)

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

	As at 31 March 2017		As at 31 March 2016	
2.01 Share capital	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each *	115,000,000	1,150,000,000	68,000,000	680,000,000
	115,000,000	1,150,000,000	68,000,000	680,000,000
Issued, subscribed and paid-up				
Equity shares of Rs. 10 each fully paid-up*				
At the beginning and end of the year	60,783,260	607,832,600	39,125,865	391,258,650
Issued during the year	13,154,520	131,545,200	21,657,395	216,573,950
At the end of the year	73,937,780	739,377,800	60,783,260	607,832,600

* 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 2017		As at 31 March 2016	
	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 (Holding Company)*	73,168,586	731,685,860	60,014,066	600,140,660

(b) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Peepul Capital Fund III,LLC,Mauritius (Holding Company)*	73,168,586	98.96%	60,014,066	98.73%

*Till 27 January 2016 the holding company was Avacero Equity Holdings Limited, Mauritius and the ultimate holding company was India Equity Partners Fund I, LLC, Mauritius and these shares were subsequently transferred to Peepul Capital Fund III LLC, Mauritius on 28 January 2016 as per share holders agreement dated 16 December 2015.

(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

Note1:9,758,262 shares of Rs.10 each have been allotted to the erstwhilemembers of Amalgam Foods and Beverages Limited pursuant to the scheme of amalgamation approved by the Board of Industrial and Financial Reconstruction, by its order dated 8th December 2006. In addition, 111 shares were issued to certain shareholders of the Company to round off fractional entitlements.

Note2: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.

	As at 31 March 2017	As at 31 March 2016
2.02 Reserves and surplus		
<i>Securities premium account</i>		
Balance at the beginning and of the year	194,052,022	81,349,072
Add: additions during the year	68,454,807	112,702,950
Balance at the end of the year	262,506,829	194,052,022
<i>Deficit in the statement of profit and loss</i>		
Balance at the beginning of the year	(416,402,850)	(319,634,732)
Add: net loss after tax transferred from the statement of profit and loss	(98,397,454)	(96,768,118)
Balance at the end of the year	(514,800,304)	(416,402,850)
	(252,293.475)	(222,350,828)
2.03 Other long-term liabilities		
Security deposits from customers	5,319,061	2,820,567
	5,319,061	2,820,567
2.04 Long-term provisions		
Provision for employee benefits		
Compensated absences	3,082,554	1,161,801
Provision for disputed claims (refer note 2.41)	6,380,143	5,763,458
	9,462,697	6,925,259
2.05 Short term borrowings		
<i>Secured</i>		
Working capital demand loan from a bank	-	5,000,000
Cash credit	20,227,747	11,001,518
Export Bills Discounted	5,847,760	5,294,652
	26,075,507	21,296,170

Note 1: Working Capital demand loan from HDFC Bank carries interest rate of 9.50% per annum. The loan is repayable in 180 days. The cash credit from HDFC Bank carries interest rate of 10.50% (Base rate plus 3.45%) per annum and is repayable on demand.

Short term loan and cash credit are 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

Note2: Bill discounting facility is availed from HDFC Bank Limited for invoices raised to Malabar Food Products LLC for the month of January. The discounting arrangement is financed at 10.5% interest per annum and the security is the same as mentioned in Note 1.

	As at 31 March 2017	As at 31 March 2016
2.06 Trade payables		
Total outstanding dues to micro and small enterprises*	1,640,504	1,293,092
Total outstanding dues to creditors other than micro and small enterprises	39,181,406	20,962,117
	<u>40,821,910</u>	<u>22,255,209</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	1,640,504	1,293,092
The interest due on the principal remaining outstanding as at the end of the year	465,797	317,384
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
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	456,797	317,384
The amount of interest accrued and remaining unpaid at the end of the year	456,797	317,384
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 2017 has been accrued	Interest due up to 31 March 2016 has been accrued
2.07 Other current liabilities		
Accrued expenses	66,978,060	50,050,739
Advances received from customers	920,992	1,256,457
Dues to creditors for capital goods	4,410,000	843,323
Accrued salaries and benefits	12,105,076	16,251,893
Withholding and other taxes and duties payable	5,381,396	2,780,052
	<u>89,795,524</u>	<u>71,182,464</u>
2.08 Short-term provisions		
Provision for employee benefits		
Compensated absences	605,347	574,592
Gratuity (refer note 2.36)	389,334	1,246,141
Fringe benefit tax	23,179	23,179
	<u>1,017,860</u>	<u>1,843,912</u>

Innovative Foods Limited

Notes to the financial statements

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

2.09 Property Plant and equipments

Particulars	Gross block			Accumulated depreciation				Net block	
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the year	Deletions	As at 31 March 2017	As at 31 March 2016
Freehold land	10,458,513	-	3,780,000	6,678,513	-	-	-	6,678,513	10,458,513
	10,458,513	-	-	10,458,513	-	-	-	-	-
Lease Hold land	-	8,772,200	-	8,772,200	-	24,677	-	8,747,523	-
Buildings: factory	40,421,485	4,243,111	9,087,192	35,577,404	19,895,014	749,190	2,915,869	17,728,335	20,526,471
	40,323,885	97,600	-	40,421,485	19,015,731	879,283	-	19,895,014	-
Buildings: others	350,546	-	-	350,546	13,487	5,550	-	19,037	337,059
	350,546	-	-	350,546	7,938	5,549	-	13,487	-
Plant and Machinery	155,199,790	12,918,864	7,379,659	160,738,995	102,716,742	9,872,876	4,724,273	107,865,345	52,483,048
	154,691,916	507,874	-	155,199,790	92,944,522	9,772,220	-	102,716,742	-
Computers	4,559,447	1,361,008	-	5,920,455	4,442,753	241,818	-	4,684,571	116,694
	4,559,447	-	-	4,559,447	4,067,712	375,041	-	4,442,753	-
Office equipments	8,663,757	787,468	-	9,451,225	5,921,257	394,176	-	6,315,433	2,742,500
	8,417,080	442,677	196,000	8,663,757	4,924,815	1,003,912	7,470	5,921,257	-
Furniture and Fixtures	3,114,571	-	-	3,114,571	2,590,055	89,435	-	2,679,490	524,516
	3,114,571	-	-	3,114,571	2,500,142	89,913	-	2,590,055	-
Vehicles	2,670,662	-	-	2,670,662	1,439,121	354,747	-	1,793,868	1,231,541
	2,670,662	-	-	2,670,662	1,084,699	354,422	-	1,439,121	-
Total	225,438,771	28,082,651	20,246,851	233,274,571	137,018,429	11,732,469	7,640,142	141,110,756	88,420,342
Previous year	224,586,620	1,048,151	196,000	225,438,771	124,545,559	12,480,340	7,470	137,018,429	-

2.10 Intangible fixed assets

Particulars	Gross block			Accumulated depreciation				Net block	
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the year	Deletions	As at 31 March 2017	As at 31 March 2016
Computer Software	3,341,305	466,600	-	3,807,905	830,987	876,625	-	1,707,612	2,510,318
	2,639,146	702,159	-	3,341,305	557,776	273,211	-	830,987	-
Brand	40,660,000	-	-	40,660,000	40,660,000	-	-	40,660,000	-
	40,660,000	-	-	40,660,000	38,638,140	2,021,860	-	40,660,000	-
Total	44,001,305	466,600	-	44,467,905	41,490,987	876,625	-	42,367,612	2,510,318
Previous year	43,299,146	702,159	-	44,001,305	39,195,916	2,295,071	-	2,100,293	-

Note: Figures for previous year are given in italics

Innovative Foods Limited

Notes to the financial statements (continued)

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

	As at 31 March 2017	As at 31 March 2016
2.11 Long-term loans and advances		
<i>Unsecured, considered good</i>		
Rent, electricity and other deposits	6,826,298	7,529,133
Advance for capital goods	16,624,059	837,920
Taxes deducted at source	5,622,865	3,972,282
	29,073,222	12,339,335
2.12 Other non-current assets		
Balance in banks as margin money deposits	1,919,220	1,919,220
Interest accrued on above deposits	150,488	10,860
	2,069,708	1,930,080
2.13 Inventories		
Stores and spares	2,792,833	2,582,941
Raw materials and packing materials		
- Crumbs	1,411,298	2,352,859
- Others *	4,860,796	2,183,849
- Packing materials	6,467,142	4,436,062
	12,739,236	8,972,770
Work-in-progress		
- Marine products	2,735,041	9,939,680
- Others *	4,278,842	5,191,010
	7,013,883	15,130,690
Finished goods		
- Marine products	6,621,928	5,980,327
- Parathas	8,655,757	14,724,000
- Others *	15,411,402	4,884,193
	30,689,087	25,588,520
Less : provision for obsolete inventory	(3,531,702)	(2,383,300)
	27,157,385	23,205,220
Stock-in-trade	16,486,869	10,855,932
	66,190,206	60,747,553

Innovative Foods Limited

Notes to the financial statements (continued)

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

	As at 31 March 2017	As at 31 March 2016
2.14 Trade receivables		
<i>Unsecured</i>		
Debts outstanding for a period exceeding six months from the day they are due for payment		
- considered good	6,709,706	5,931,202
- considered doubtful	3,512,817	3,700,000
	<u>10,222,523</u>	<u>9,631,202</u>
Other receivables		
- considered good	93,213,258	59,672,147
	<u>103,435,781</u>	<u>69,303,349</u>
Less : provision for doubtful debts	(3,512,817)	(3,700,000)
	<u>99,922,964</u>	<u>65,603,349</u>
2.15 Cash and Bank balances		
Cash and cash equivalents		
Cash on hand	85,085	134,777
Balances with banks		
- in current accounts	203,178,259	3,802,817
- in Exchange Earners Foreign Currency Accounts	-	1,418,973
- in Deposit Accounts	150,656,201	266,811,776
	<u>353,919,545</u>	<u>272,168,343</u>
2.16 Short-term loans and advances		
<i>Unsecured, considered good</i>		
Advance for supply of goods or rendering of services	4,617,539	3,012,210
Prepaid expenses	1,509,443	1,674,179
Balance with government authorities	3,339,173	1,437,011
	<u>9,466,155</u>	<u>6,123,400</u>
2.17 Other current assets		
<i>Unsecured, considered good</i>		
Interest accrued on fixed deposits	2,250,331	1,212,633
	<u>2,250,331</u>	<u>1,212,633</u>

Innovative Foods Limited
Notes to the financial statements (continued)

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

	Year ended 31 March 2017	Year ended 31 March 2016
2.18 Revenue from operations		
Sale of products		
Own manufactured	443,937,124	411,167,090
Traded	103,734,278	86,831,605
	547,671,402	497,998,695
Less: excise duty	6,678,464	6,154,075
	540,992,938	491,844,620
<i>Own manufactured</i>		
Marine products	11,957,116	46,794,212
Parathas	104,894,862	106,124,297
Others *	228,085,146	258,248,581
	443,937,124	411,167,090
Less: excise duty	6,678,464	6,154,075
	437,258,660	405,013,015
<i>Traded</i>		
Sausages	94,568,851	86,831,605
Others*	9,165,427	-
	103,734,278	86,831,605
	540,992,938	491,844,620
* Do not individually exceed 10% of the total sales		
2.19 Other income		
Interest income on bank deposits	16,331,119	4,643,528
Export incentives	3,724,556	1,872,512
Profit on sale of investment	-	2,300,000
Profit on sale of Property Plant and Equipment	11,193,291	4,320,649
Other miscellaneous income	927,225	2,030,610
Provision no longer required written back	-	598,459
	32,176,191	15,765,758
2.20 Cost of materials consumed (including packing material consumed)		
Inventory of materials at the beginning of the year	8,972,770	10,246,512
Purchases		
Marine products	58,893,065	53,314,243
Others	168,798,675	154,680,001
Inventory of materials at the end of the year	(12,739,236)	(8,972,770)
	223,925,274	209,267,986
* Do not individually exceed 10% of the total purchases		
2.21 Purchase of stock-in-trade		
Sausages	71,262,744	56,679,180
Others	2,008,285	-
	73,271,029	56,679,180

Innovative Foods Limited**Notes to the financial statements (continued)**

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

	Year ended 31 March 2017	Year ended 31 March 2016
2.22 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	25,588,520	26,419,516
Work-in-progress	15,130,690	22,349,302
Stock-in-trade	10,855,932	11,094,149
	51,575,142	59,862,967
Less: closing stock		
Finished goods	30,689,087	25,588,520
Work-in-progress	7,013,883	15,130,690
Stock-in-trade	16,486,869	10,855,932
	54,189,839	51,575,142
Provision for obsolete inventory	(1,148,402)	(2,383,300)
Net (increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	1,466,295	10,671,125
2.23 Employee benefits expense		
Salaries, wages and bonus	104,800,972	78,155,930
Contribution to provident and other funds	7,845,015	6,036,136
Staff welfare expenses	3,221,778	3,431,092
	115,867,765	87,623,158
2.24 Finance costs		
Interest on working capital loans	2,099,337	7,963,701
Interest Others	155,198	419,478
	2,254,535	8,383,179
2.25 Depreciation and amortization		
Depreciation on tangible fixed assets	11,732,469	12,480,340
Amortization on intangible fixed assets	876,625	2,295,071
	12,609,094	14,775,411
2.26 Other expenses		
Contract manufacturing	44,337,557	39,585,040
Power and fuel	15,974,814	15,592,025
Storage and freezing	11,990,670	12,586,182
Freight, transport and distribution	44,821,540	37,176,881
Rent	6,019,927	5,757,060
Repairs and maintenance	11,215,230	8,723,042
Insurance	2,281,236	2,764,052
Rates and taxes	4,717,389	4,488,182
Marketing and sales promotion	57,914,705	41,751,354
Travelling and conveyance	21,838,050	15,098,800
Legal and professional (Refer note 2.29)	5,056,323	10,489,364
Communication expenses	1,739,440	1,358,341
Provision for doubtful trade receivables	-	214,097
Bank charges	468,648	374,796
Inventory write down obsolete, damaged and expired stock	6,686,698	13,026,612
Foreign exchange fluctuations, net	1,388,985	201,848
Miscellaneous expenses	8,427,969	7,808,781
	245,105,181	216,978,457

2.27 Capital commitments and contingencies

Particulars	As at 31 March 2017	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	2,420,645	750,000
Income tax demand under appeal (see note 1 below)	53,690	53,690
Sales tax demand under appeal (see note 1 below)	9,287,447	8,313,984
Claims against the Company not acknowledged as debts		
- Employee state insurance (see note (2) below)	407,000	407,000
- Employee provident fund (see not 3 and 4 below)	3,621,400	2,176,000
- EPCG related matters	2,912,563	969,000

Notes:

1. 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.
2. 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.
3. 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 provident fund authorities have not taken any steps in this regard.
4. The Company had received a notice from Employees Provident Fund commissioner, Cochin wherein a demand of Rs 1,445,400 has been raised against the Company on account of the non-deduction of provident fund on wages paid to employees drawing salary below ceiling limit on additional allowances. The Company had challenged the findings and accordingly Employees Provident Fund Commissioner had called for hearing on 08 September 2017 and further proceedings are pending at this stage.

2.28 Loss per share

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net loss attributable to equity share holders	(98,397,454)	(96,768,118)
Weighted average number of equity shares of Rs. 10 each used for calculation of earnings per share	60,855,340	42,923,326
Earnings per equity share of face value Rs. 10 each	(1.62)	(2.25)

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

2.29 Auditors' remuneration (included in legal and professional fees, excluding service tax)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Statutory audit	925,000	925,000
Tax audit	100,000	100,000
Total	1,025,000	1,025,000

2.30 Expenditure in foreign currency

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Travelling and conveyance	735,510	230,317
Miscellaneous expenses	-	2,120,724
Freight, transport and distribution	-	5,690,234

2.31 Earnings in foreign currency

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
FOB value of exports	68,620,701	56,553,111

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Raw material, packing materials and traded goods	68,544,855	32,368,564
Components and spare parts	658,514	327,084

2.33 Consumption of imported and indigenous raw materials and packing materials

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	%	Value (Rs)	%	Value (Rs)
Raw materials and packing materials				
- Imported	32	71,947,469	27	49,195,219
- Indigenous	68	151,977,805	76	160,072,767
Total		223,925,274		209,267,986

2.34 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.

Revenues	Year ended 31 March 2017	Year ended 31 March 2016
India	462,431,613	435,291,509
Rest of the world	78,561,325	56,553,111
Total	540,992,938	491,844,620

Trade receivables, net of provisions	As at 31 March 2017	As at 31 March 2016
India	83,334,538	50,335,086
Rest of the world	16,588,426	15,268,263
Total	99,922,964	65,603,349

2.35 Leases

The Company is obligated under non-cancellable operating lease for factory, office and residential space. Total rental expense under such operating lease amounted to Rs. 3,684,543 (previous year Rs. 2,487,957). Future minimum lease payments due under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Not later than one year	2,266,919	2,612,354
Later than one year but not later than five years	-	2,266,919
Later than five years	-	-

The Company is obligated under cancellable operating leases for factory, office and residential space. Total rental expenses under cancellable operating leases during the year were Rs. 2,335,384 (Previous year: Rs. 3,269,103).

2.36 Employee benefits

(a) Defined contribution plans:

The Company makes contributions 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. Amount of Rs. 5,901,075 (previous year: 3,850,225) 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) Defined benefit plan - gratuity

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

Particulars	As at 31 March 2017	As at 31 March 2016
Obligations at the beginning of the year	5,562,717	4,416,179
Service cost	343,947	661,340
Interest cost	507,152	292,634
Actuarial (gain) / loss	879,246	1,062,103
Benefits paid	(639,230)	(869,539)
Obligations at the end of the year	6,653,832	5,562,717
Change in plan assets		
Plans assets at beginning of the year, at fair value	4,316,576	4,321,484
Expected return on plan assets	396,790	345,522
Actuarial gain / (loss)	36,686	6,374
Contributions	2,153,676	512,735
Benefits paid	(639,230)	(869,539)
Plans assets at the end of the year, at fair value	6,264,498	4,316,576
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Fair value of plan assets at the end of the year	6,264,498	4,316,576
Present value of the defined benefit obligations at the end of the year	6,653,832	5,562,717
Net (asset) / liability recognized in the balance sheet	389,334	1,246,141
Gratuity cost for the year ended		
Service cost	507,152	661,340
Interest cost	343,947	2,92,634
Expected return on plan assets	(396,790)	(345,522)
Actuarial (gain) / loss	842,560	1,055,730
Net gratuity cost	1,296,869	1,664,182

2.36 Employee benefits (continued)

Particulars	As at 31 March 2017	As at 31 March 2016
Interest rate per annum	6.56%	7.35%
Expected rate of return on plan assets	7.50%	8%
Expected rate of salary increase	8%	8%
Retirement age	58 Years	58 years
Attrition	30%	30%
Mortality	Mortality Modified q(x) values under Indian Assured Lives(1994-1996) Ultimate – Table	

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				
	2017	2016	2015	2014	2013
Defined benefit obligation	6,653,832	5,562,717	4,416,179	4,160,854	4,307,302
Plan assets	6,264,498	4,316,576	4,321,484	4,014,910	3,261,055
Surplus/(deficit)	(389,334)	(1,246,141)	(94,695)	(145,944)	(1,046,247)
Experience adjustment on plan liabilities	586,737	1,220,720	(492,043)	(442,536)	685,762
Experience adjustment on plan assets	10,233	(36,817)	(6,174)	(47,297)	22,957

(c) Compensated absences

Assumptions	31-Mar-17	31-Mar-16
Discount Rate	6.97%	7.40%
Expected rate of salary increase	8%	8%
Retirement age	58 Years	58 years
Maximum accumulation of leave	90 days	90 days
Attrition rate	30%	30%

2.37 Derivatives

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

Currency	Un-hedged payables*		Un-hedged receivables**		Bank Balance	
	Foreign currency	Rs	Foreign currency	Rs	Foreign currency	Rs
USD and Rupee equivalent	71,059	4,687,038	261,565	16,588,426	-	-
Previous year	-	-	236,131	15,268,263	21,985	1,418,973

* Un-hedged payables includes trade payable

** Un-hedged receivables includes trade receivables

2.38 Related parties

a. Name of the related parties and description of the relationships

Relationship	Name of the party
Holding / ultimate holding Company	Peepul Capital Fund III, LLC, Mauritius (from 28 January 2016)
Erstwhile ultimate holding Company	India Equity Partners Fund I, LLC, Mauritius (till 27 January 2016)
Erstwhile holding company	Avacero Equity Holdings Limited, Mauritius (till 27 January 2016)
Entities under common control	Swastik Road Lines Private Limited (till 27 January 2016)

Key Management Personnel

Chief Executive Officer and Whole Time Director	Mr. V S Sitaram
Whole time Director	Mr. P Manoj Kumar

b. Related party transactions:

The Company has entered into the following transactions with related parties during the year ended 31 March 2017.

Name of related party	Description of the transaction	Volume of Transactions		Outstanding Balance (Receivable / Payable)	
		Year ended 31 March		As at 31 March	
		2017	2016	2017	2016
Swastik Road Lines Private Limited	Freight, transport and distribution	-	1,419,576	-	-
Peepul Capital Fund III, LLC	Legal and professional	-	5,000,000	-	5,000,000
Key Management Personnel	Remuneration Paid				
	- V S Sitaram	14,728,273	3,710,064	-	-
	- P Manoj Kumar	4,256,631	3,812,122	-	-

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.

2.39 Employee stock units program

The Company has introduced new employee stock units (ESUs) program by which ESU's are awarded to key employees as determined by the management. These are to provide equity linked incentives to key employees identified on a yearly basis wherein the cash equivalent of the ESU's awarded will be paid to such employees. The amounts payable to employees under this program is underwritten by the holding company out of the amount due to be realised by the holding company contingent upon occurrence of the liquidity event as defined in the program. The ESU's are used only for the purpose of calculating the economics associated with the performance and does not imply an equity share or any rights that are associated with the same. This arrangement is in the nature of a cash settled employee share based payment program and since such right to receive amounts from the holding company vests only on the occurrence of the liquidity event as defined in the program. Given that the plan is underwritten by holding company and the occurrence of the required event with respect to ESU's granted is considered as remote, the Company has not considered any impact in these financial statements.

2.40 Deferred taxes

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
<i>Deferred tax liability</i> Arising from timing difference in respect of: Tangible and intangible fixed assets	10,115,979	9,138,500
<i>Deferred tax assets</i> Unabsorbed depreciation and business loss	10,115,979	9,138,500
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.

2.41 Provisions for disputed claims

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	5,736,458	4,063,458
Charge for the year	616,685	1,700,000
Amount written back/utilized	-	-
Closing balance	6,380,143	5,736,458

Note: Provisions 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. These claims are expected to be settled within next 12 months.

2.42 Disclosure On Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	98,000	57,714	155,714
(+) Permitted receipts	52,500	629,957	682,457
(+) Not permitted receipts	-	-	-
(-) Not permitted payments	-	-	-
(-) Permitted payments	48,000	547,271	595,271
(-) Amount deposited in Banks	102,500	-	102,500
Closing cash in hand as on 30 December 2016	-	140,400	140,400

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

2.43 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 **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024

Sd/-
Chandrasekhar B
Partner
Membership No.: 114161

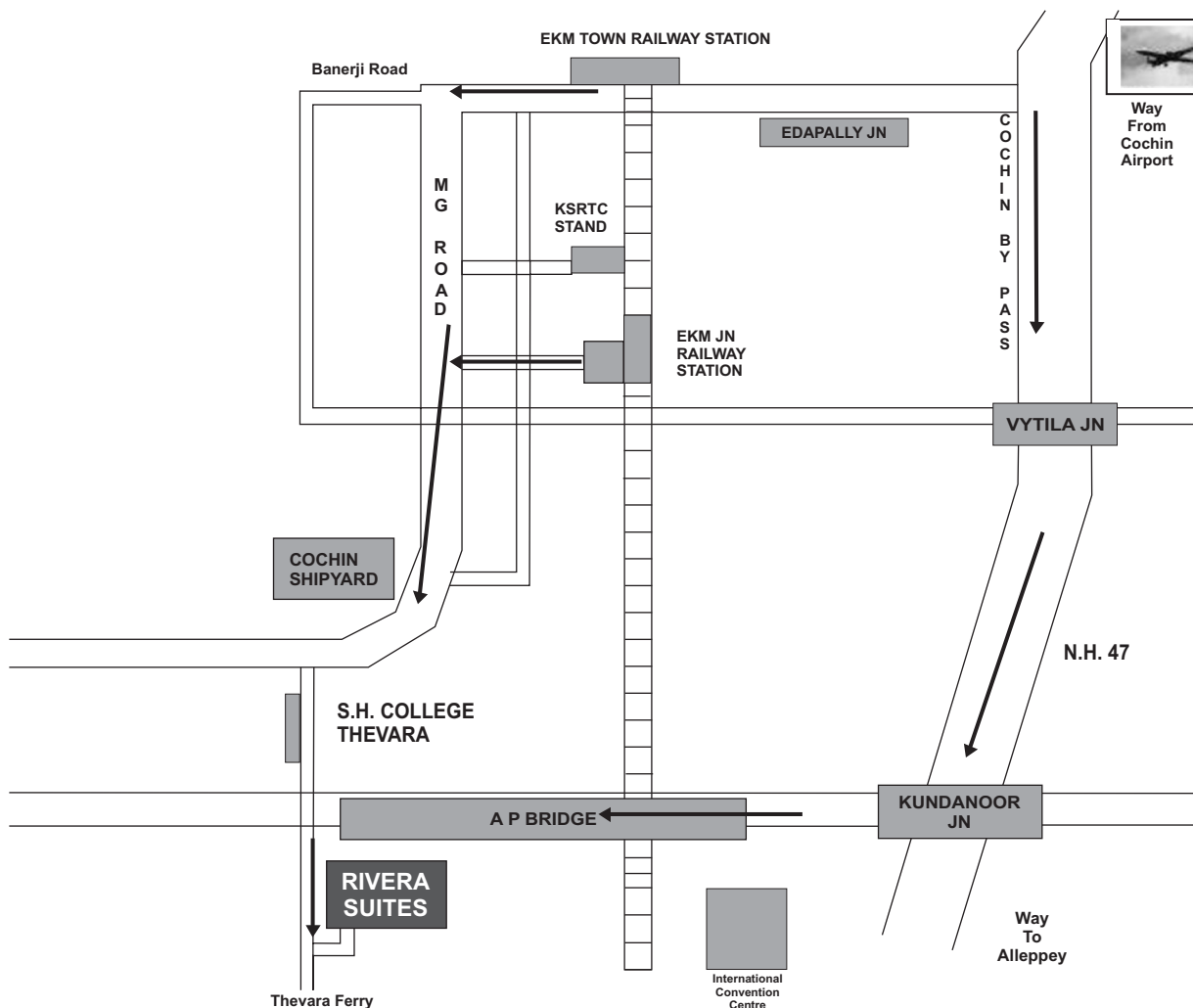
Chennai
18 August 2017

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

Sd/-
P Manoj Kumar
Whole Time Director
DIN : 03527923

Chennai
18 August 2017

Sd/-
Arjun Ananth
Nominee Director
DIN : 01207540



INNOVATIVE FOODS LIMITED

CIN: U51909KL1989PLC005465

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

Dear Sir/Madam

Pursuant to the green initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs, our company has proposed to send the Notice / Annual Report / documents through electronic mode to the shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

Shareholders, who are holding the shares in Physical Form, are requested to send the following details to our Registrar and Share Transfer Agent which will be considered by the Company/Registrar for sending the future communication through Email

Innovative Foods Limited		
Folio Number		PAN (Optional)
Name (First / Sole Holder)		
Email Id		Mobile No.
Signature of First / Sole Holder		

Shareholders, who are holding the shares in Electronic form are requested to update their Email IDs with the concerned Demat account, to enable the Company / Registrar to send communications through E-mail.

In case you wish to get the Hard copies of Notices/Documents/Reports, you need not send the above details. Company will send the Notices/Documents/Reports to the Registered address of the shareholders.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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Form No. MGT-11
INNOVATIVE FOODS LIMITED

CIN: U51909KL1989PLC005465

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

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s) :

Registered address :

E-mail Id :

Folio No :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :	2. Name :	3. Name :
Address :	Address :	Address :
E-mail Id :	E-mail Id :	E-mail Id :
Signature :, or failing him	Signature :, or failing him	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Annual general meeting of the company, to be held on **Wednesday, the 27th day of September, 2017** at Riviera Suites, Thevara Water Front, Ernakulam- 682 013 at 10.30 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

	ORDINARY BUSINESS	Tick appropriately
1	Adoption of Financial statement for the year 2016-17	For / Against
2	Re-appointment of Mr. P. Manoj Kumar, who retire by rotation	For / Against
3	Ratification of appointment of M/s. BSR & Associates LLP, Chartered Accountants as Auditors	For / Against
	SPECIAL BUSINESS	
4	Regularise Mr. Ajay Baijal as Non-Executive and Independent Director	For / Against
5	Regularise Ms.Riya Bhattacharya as Non-Executive and Nominee Director	For / Against
6	Reappointment of Mr.Manoj Kumar.P. as whole-Time Director of the Company	For / Against

Signed this day of 20.....

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

INNOVATIVE FOODS LIMITED

CIN: U51909KL1989PLC005465

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

ATTENDANCE SLIP

Registered Folio No.	
No. of Shares Held	

I certified that I am a registered Shareholder/ Proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company at Riviera Suites, Thevara Water Front, Ernakulam- 682 013 at 10.30 AM on Wednesday, 27th September 2017.

Member's Name:

Proxy's Name:

Member's/ Proxy's Signature

Note:

1. Please fill this attendance slip and hand over at the entrance of the Hall
2. Members/ Proxy Holders/ Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting
3. Authorised Representatives of Corporate members shall produce proper authorisation issued in their favour.

REGISTERED BOOK POST

If undelivered please return to:

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No. 1, Ramakrishna Street, Off: North Usman Road,

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