



INNOVATIVE FOODS LIMITED

30th Annual Report 2018-19



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P Manoj Kumar	Whole-Time Director
Mr. Arjun Ananth	Non-Executive and Nominee Director
Mr. Hari Narayan	Non-Executive and Nominee Director
Mr. Pranav Kumar Suresh	Non-Executive and Nominee Director
Mr. Ravinder Kishen Raina	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 683 585.
<u>REGISTERED OFFICE</u>	<u>CORPORATE OFFICE</u>	<u>FACTORY</u>
Chakolas Habitat, A Block, 1 C, Thevara Ferry Road Cochin, Kerala - 682 013.	Greystone ,# 267 ,Ground Floor, 5th Main, 6th Cross, Indiranagar 1st Stage, Bangalore -560 038.	Ezhupunna.P.O. Alapuzha Dt., Kerala-688 537. Mogili Village, Chittoor, Andhra Pradesh.

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.

State Bank of India

Padma TFC Branch, Cochin.

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

NOTICE OF THE 30TH ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting will be held on Tuesday, the 24th Day of September, 2019 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 31.03.2019 and the Balance Sheet of the company as at 31.03.2019 together with the Reports of Directors and Auditors thereon.
2. 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), 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, be and is hereby appointed as the Statutory Auditor of the Company for the Financial year 2019-20 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, 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

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

“RESOLVED THAT Mr. Ravinder Raina (DIN:00336340), who was appointed as additional, Non-Executive 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.”

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

“RESOLVED THAT Mr. Mithun Appaiah (DIN: 08484331), Chief Executive Officer, who was appointed as additional Director of the Company by the Board of Directors in terms of the provisions of Section 152 of the Companies Act, 2013 and the rules made thereunder, be and is hereby appointed as Director of the Company, whose period of office shall 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.”

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

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

**Date : 23.08.2019
Place: Bangalore**

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. Company is providing e –voting facility for the members to cast their votes electronically. A note on the process and procedure of e-voting is annexed in the explanatory statement.
5. Members are requested to register their e- mail address with the company or the registrar, Integrated Registry Management Services (P) 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
6. 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.
7. Kindly inform the registrar in case there is a change in your address.
8. The record date for ascertaining the eligible shareholders for the purpose of e-voting shall be 16th September, 2019.
9. Shareholders are also requested to submit their physical share certificates for dematerialization at the earliest since physical transfer of shares is no longer permitted under the Companies Act, 2013.

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

Item No:3

Your Directors have appointed Mr. Ravinder Raina (DIN:00336340), as an Additional and Independent Director on the Board of the Company effective from 08th May 2019, 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. Ravinder Raina will hold office up to the date of the ensuing Annual General Meeting. The Company has received his consent to hold office for a period of five consecutive years with effect from 08th May 2019, whose period of office shall not be liable to retire by rotation.

The Company has received from Mr. Ravinder Raina, 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. Ravinder Raina 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. Ravinder Raina 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. Ravinder Raina, 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. 3. Your Directors recommend the ordinary resolution set out under item no. 3 of the Notice for approval by the shareholders.

Item No:4

Your Directors have appointed Mr. Mithun Appaiah (DIN: 08484331), Chief Executive Officer as additional Director on the Board of the Company effective from 23rd August 2019, 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 and whose period of office shall be liable to retire by rotation.

The Company has received from Mr. Mithun Appaiah, 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 Mr. Mithun Appaiah, 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.

Instructions for Voting through electronic mode are as under:-

1. The voting period begins on 21st September 2019 (09.00 a.m.) and ends on 23rd September, 2019 (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, Monday, 16th September 2019 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
 - 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:

	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.

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 Cooperates.
 - 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 contact- Mr. Rakesh Dalvi, Designation - Manager, Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai-400013. Contact No.18002005533. Email id - helpdesk.evoting@cdslindia.com.

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

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

**Date : 23.08.2019
Place: Bangalore**

DIRECTORS' REPORT

To,

Members of Innovative Foods Limited

Dear Members,

The Directors are pleased to present the 30th Annual Report of the company with the audited financial statements of the Company for the Year ended March 31, 2019 ("Year").

1. FINANCIAL HIGHLIGHTS

The financial performance of the company for the year ending 31st March 2019 is given below:

Financial highlights		
Particulars	31.03.2019 (Rs. In Million)	31.03.2018 (Rs. In Million)
Turnover	709.14	568.90
Other Income	13.09	6.86
Total Revenue	722.23	574.21
Total Expense	910.20	829.59
Profit/Loss before Tax	(187.98)	(255.37)
Profit/Loss after Tax	(187.98)	(255.37)

2. STATE OF COMPANY'S AFFAIRS

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

The company had made a good performance relative to the previous year statistics, with a record highest turnover and widening market reach.

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. ANNUAL RETURN

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

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

The Company had six 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					
	10.05.2018	23.05.2018	20.09.2018	10.10.2018	03.12.2018	26.03.2019
Mr. P. Manoj Kumar	P	P	P	P	P	P
Mr. Arjun Ananth	P	P	P	P	P	P
Mr. Sreenivasulu Vudayagiri	P	P	NA	NA	NA	NA
Mr. Deepak Mittal	P	P	NA	NA	NA	NA
Ms. Riya Bhattacharya	LOA	LOA	LOA	LOA	R	NA
Mr. Mohamed Mansoor Ahmed	P	P	P	P	LOA	LOA
Mr. Ajay Baijal	P	LOA	NA	NA	NA	NA
Mr. K S Narayanan	P	LOA	P	P	R	NA
Mr. Dinesh Taluja	NA	NA	R	NA	NA	NA
Mr. Pranav Kumar Suresh	NA	NA	NA	NA	NA	P

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

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

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

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis; and
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. 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:

As on 01.04.2018	As on 31.03.2019
➤ Mr. Mohammed Mansoor Ahmed ➤ Mr. Arjun Ananth ➤ Mr. Ajay Baijal	➤ Mr. Mohammed Mansoor Ahmed ➤ Mr. Arjun Ananth

b. Nomination Remuneration Committee

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

As on 01.04.2018	As on 31.03.2019
➤ Mr. Mohammed Mansoor Ahmed ➤ Mr. Arjun Ananth ➤ Mr. Ajay Baijal	➤ Mr. Mohammed Mansoor Ahmed ➤ Mr. Arjun Ananth

c. Stakeholder relationship Committee

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

From 01.04.2018 to 15.02.2019	As on 31.03.2019
➤ Mr. Arjun Ananth ➤ Mr. P. Manoj Kumar ➤ Ms. Riya Bhattacharya	➤ Mr. Arjun Ananth ➤ Mr. P. Manoj Kumar

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 Practicing Company Secretary in their report and the comments of the Directors:

Point no.1: Appointed Chief Financial Officer(KMP) with effect from April 01, 2019.

Point no.2: Appointed Company Secretary(KMP) with effect from April 01, 2019.

Point no.3: The register of members are being maintained as soft copy and managed by Integrated Registry Services, our RTA considering the large number of shareholders and hence physical copy of register of members are not being maintained. All the remaining entries have been duly updated in the Statutory Register.

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 1

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 2 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 Director 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 –

- A) Issue of equity shares with differential rights – NIL
- B) Issue of sweat equity shares – NIL
- C) Issue of employee stock options– NIL
- D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees – NIL
- E) Private Placement/Preferential Allotment of Equity shares-Allotment of Two Crore equity shares preferentially to Peepul Capital Fund III LLC on 23rd May 2019.

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/WTM 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): There are no directors in the company drawing remuneration of more than Rs One crore and two lakh rupees per annum as well as eight lakh and fifty thousand rupees per month as stipulated in the Rule.

24. CORPORATE GOVERNANCE CERTIFICATE:

The Company is not a listed Company. Hence corporate governance as stipulated in the Listing Obligations and Disclosure Regulations is not applicable.

25. STATUTORY AUDITORS

It is proposed to 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 2019-20 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 1

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

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

Rule 8(5)

(i) the financial summary or highlights :Already given

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

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

There are no changes among the directors or key managerial personnel of the company other than those given below:

Sl.No	Name of Directors/KMP	During year 2018-19	
		Appointment	Resignation
1	Mr. K.S Narayanan	10.05.2018	-
2	Mr. Ramanpreet Sohi	-	10.05.2018
3	Mr. Deepak Mittal	-	05.06.2018
4	Mr. Sreenivasalu Vudayagiri	-	05.06.2018
5	Mr. Dinesh Taluja	05.06.2018	-
6	Mr. Hari Narayanan	05.06.2018	-
7	Mr. Ajay Baijal	-	13.09.2018
8	Mr. Dinesh Taluja	-	20.09.2018
9	Mr. K.S Narayanan	-	03.12.2018
10	Ms. Rincy Aboobacker	-	03.12.2018
11	Ms. Riya Bhattacharya	-	15.02.2019
12	Mr. Pranav Kumar Suresh	26.03.2019	-

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 : 1
- No of complaints disposed off : 1

29. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards to facilitate good corporate governance.

30. ACKNOWLEDGMENTS

Your Directors place on record their sincere thanks to bankers, 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

Sd/-
Arjun Ananth
Nominee Director

Date : 23.08.2019
Place : Bangalore

Annexure -1**Form AOC – 2**

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

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Volume of Transactions as on 31.03.2018	Outstanding balance (Receivables/ (payables)) as on 31.03.2018
Oriental Cuisines PVT LTD (Entity controlled by Peepul Capital III LLC)	Normal Course of business	Revenue from operations	10.10.2018	184454	6228685
Coastline Gourmet PVT LTD (Entity controlled by Peepul Capital III LLC)	Normal Course of business	Revenue from operations	10.10.2018	-	440652
Unibics Foods India Private Limited (Entity controlled by Peepul Capital III LLC)	Normal Course of business	Revenue from operations	10.10.2018	967718	-

ANNEXURE-2

A	Conservation of energy	
i	the steps taken or impact on reservation of energy;	Improved Power Factor- less power cost, increased the productivity - Utilized the maximum capacity of the machines- Maximum output with minimum energy input.
ii	the steps taken by the company for utilizing alternate sources of energy;	Roof Top Solar Plant 200KW project discussion in progress.
iii	the capital investment on energy conservation equipment	Project discussion in progress.
B	Technology absorption-	
i	the efforts made towards technology absorption;	The company has not availed any foreign technology during the period.
ii	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) the details of technology imported;	NA
	(b) the year of import;	NA
	(c) whether the technology been fully absorbed;	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
iv	the expenditure incurred on Research and development.	Rs. 10,33,934
C	Foreign exchange earnings and Outgo- The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange Earnings: 1. FOB value of exports: Rs. 800,28,178 /- 2. Foreign Exchange Outgo: Rs 947,468 /-

By order of the Board of Directors

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

Sd/-
Arjun Ananth
 Nominee Director
 DIN : 01207540

Date : 23.08.2019
 Place : Bangalore

A S NARAYANAN
COMPANY SECRETARY IN PRACTICE
ACS M. NO: 6972
CP NO:8147

PUKALAKKAT BUILDING
SECOND FLOOR NEAR
CHANGAMPUZHA PARK
METRO STATION
EDAPPALLY KOCHI 682024
M:9847929333

Annexure to Directors' Report for the year ended March 31, 2019

The Members
Innovative Foods Limited
Kochi

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-
A.S.Narayanan
Company Secretary in Practice
ACS M.No:6972
CP No:8147

Place: Aluva
Date: 29/07/2019

FORM NO. MR -3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2019

[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 CIN:U51909KL1989PLC005465 (herein after called the company). Secretarial Audit was conducted for the financial year ended on 31.03.2019 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 31.03.2019 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, 2019, 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 Borrowing;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: Not applicable
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: Not applicable
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not applicable
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not applicable
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable
 - 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- Not applicable ;and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable
- 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, there is scope for improvement in compliance.

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

- 1. The company did not have Chief Financial Officer (Key Managerial Personnel) during the period from 01/05/2018 to 31/03/2019.
- 2. The company did not have Whole-time Company Secretary (Key Managerial Personnel) during the period from 04/12/2018 to 31/03/2019.
- 3. I understand that the entries in the statutory register need to be updated and maintained in proper form.

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. However, there was only one Independent Director during the period from 04/12/2018 to 31/03/2019.

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.

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 Board of Directors of the company at its meeting held on 23/05/2018 allotted 2,00,00,000 equity shares of Rs.10/- each to the existing promoters M/s Peepul Capital Fund III LLC, St.Louis Business Center, Mauritius, based on special resolution approved by the members at the Extra ordinary general meeting held on 02/05/2018 under section 62(1)(c) of the Companies Act,2013 read with Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014.
- b. The members at the 29th Annual General meeting held on 23/11/2018 approved a special resolution for granting and vesting of ESUP (Grant of units under the performed linked equity options) to Mr. Mithun Appaiah, Chief Executive Officer of the company as per the agreed vesting schedule and employment agreement.

Sd/-
A.S.Narayanan
 Company Secretary in Practice
 ACS M.No:6972
 CP No:8147

Place : Aluva
 Date : 29/07/2019

INDEPENDENT AUDITORS' REPORT

To the Members of Innovative Foods Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Innovative Foods Limited (“the Company”), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“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 2019, and loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Material uncertainty relating to Going Concern

We draw attention to Note 1.3 in the financial statements, which indicates that the Company incurred losses during the current year and previous years. As stated in Note 1.3, the appropriateness of assumption of going concern is dependent upon realization of business strategies and operating plans of the Management.

Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (“the Order”) issued by the Central Government in terms of section 143 (11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:
- 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.
 - 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.
 - The balance sheet, the statement of profit and loss, and statement of cash flows dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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:
- The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 2.28 to the financial statements;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

Baby Paul

Partner

Membership number: 218255

Unique Document Identification Number: 19218255AAAAAQ6299

Kochi

23 August 2019

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 2019, we report that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 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 three 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.
 - 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.
- The inventory, except 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 stock and the book records were not material.
- 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.
- 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.
- The Company has not accepted any deposits from the public and thus paragraph 3(v) of the Order is not applicable.
- We have broadly reviewed the books of account 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. However, we have not made a detailed examination of the records.
- 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, goods and services tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except profession tax with delay ranging from 1 to 39 days.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, there are no dues of customs duty, excise duty, service tax, goods and services 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	53,690	FY 2007-08	The Assistant Commissioner Income-Tax, Kochi
The Kerala Value Added Tax, 2003	Sales tax demand	4,971,379	FY 2010-11	The Sales Tax Appellate Tribunal, Ernakulam
The Kerala Value Added Tax, 2003	Sales tax and demand	2,951,049	FY 2013-14	The Deputy Commissioner (Appeals), Ernakulam
The Kerala Value Added Tax, 2003	Sales tax and interest	1,571,623	FY 2009-10	The Sales Tax Appellate Tribunal, Ernakulam
The Kerala Value Added Tax, 2003	Sales tax and interest	10,227,014	FY 2011-12	The Sales Tax Appellate Tribunal, Ernakulam
Andhra Pradesh Value Added Tax Act, 2005	Sales tax and interest	244,420	FY 2009-10	Commercial Tax Officer, Hyderabad
Maharashtra Value Added Tax Act, 2002	Sales tax and interest	1,041,950	FY 2013-14	Deputy Commissioner of Sales Tax – Appeals, Mumbai
Central Sales Tax Act, 1956	Sales tax and interest	3,282,629	FY 2013-14	Deputy Commissioner of Sales Tax - Appeals, Mumbai

- (viii) According to the information and explanations given to us, the Company has not defaulted in 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) According to the information and explanations given to us and based on examination of the records of the Company, the term loans obtained during the year were applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (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 give to us and based on our examination of the records of the Company, the Company has paid 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) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us, the company has made private placement of equity shares during the year and the requirement of the section 42 of the act have been complied with and the amount used have been used for the purposes for which the funds were raised other than temporary deployment pending application of proceeds.

(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.

(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 registration number: 116231W/W-100024

Baby Paul

Partner

Membership number: 218255

Unique Document Identification Number : 19218255AAAAAQ6299

Kochi

23 August 2019

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 with reference to financial statements of Innovative Foods Limited (“the Company”) as of 31 March 2019 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 with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

Meaning of internal financial controls with reference to financial statements.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements 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 registration number: 116231W/W-100024

Baby Paul
Partner
Membership number: 218255
Unique Document Identification Number: 19218255AAAAAQ6299

Kochi
23 August 2019

Innovative Foods Limited

Balance sheet as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	939,377,800	739,377,800
Reserves and surplus	2.2	(695,646,439)	(507,667,284)
		243,731,361	231,710,516
Non-current liabilities			
Long-term Borrowing	2.3	76,814,328	87,087,733
Other long-term liabilities	2.4	34,758,773	30,473,690
Long-term provisions	2.5	2,225,534	2,458,980
		113,798,635	120,020,403
Current liabilities			
Short-term borrowings	2.6	85,031,766	85,902,032
Trade payables	2.7		
Total outstanding dues of micro enterprises and small enterprises; and		2,262,309	1,675,570
Total outstanding dues to creditors other than micro enterprises and small enterprises		79,496,339	50,355,674
		39,181,406	20,962,117
Other current liabilities	2.8	133,220,787	130,509,399
Short-term provisions	2.9	8,766,201	6,648,408
		308,777,402	275,091,083
		666,307,398	626,822,002
ASSETS			
Non-current assets			
Property, Plant & Equipment			
Tangible Assets	2.10	277,466,223	246,476,604
Intangible Assets	2.11	1,098,375	1,578,185

Innovative Foods Limited

Balance sheet as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
Capital work-in progress		-	17,910,129
Long-term loans and advances	2.12	18,563,329	24,489,606
Other non-current assets	2.13	26,538,047	24,924,884
		323,665,974	315,379,408
Current assets			
Inventories	2.14	78,658,649	88,354,679
Trade receivables	2.15	170,247,997	113,941,395
Cash and bank balances	2.16	35,793,321	48,575,509
Short-term loans and advances	2.17	49,134,046	42,619,468
Other current assets	2.18	8,807,411	17,951,543
		342,641,424	311,442,594
		666,307,398	626,822,002

Significant accounting policies

1

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

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

Baby Paul

Partner

Membership No.: 218255

Arjun Ananth

Nominee Director

DIN : 01207540

P Manoj Kumar

Whole Time Director

DIN : 03527923

Anjana Vijayan

Company Secretary

Membership No: A55100

Mithun Appaiah

Chief Executive Officer

Kochi

23 August 2019

Innovative Foods Limited**Statement of profit and loss for the year ended 31 March 2019**

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

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Sales, net of sales returns	2.19	709,139,811	568,900,828
Less: excise duty		-	1,545,402
Net sales		709,139,811	567,355,426
Other income	2.20	3,086,422	6,856,916
Total Revenue		722,226,233	574,212,342
Expenses			
Cost of materials consumed	2.21	314,775,848	246,430,946
Purchase of stock-in-trade	2.22	63,619,085	72,196,118
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.23	12,411,938	(1,236,903)
Employee benefits expense	2.24	145,992,620	178,063,085
Finance costs	2.25	20,129,780	7,001,140
Depreciation and amortization	2.26	24,839,221	17,338,261
Other expenses	2.27	328,436,896	309,793,504
Total expenses		910,205,388	829,586,151
Loss before tax		(187,979,155)	(255,373,809)
Income tax		-	-
Loss after tax		(187,979,155)	(255,373,809)
Loss per share (equity share of par value Rs 10 each)			
Basic and diluted	2.29	(2.06)	(3.45)

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

Baby Paul*Partner*

Membership No.: 218255

Arjun Ananth*Nominee Director*

DIN : 01207540

P Manoj Kumar*Whole Time Director*

DIN : 03527923

Anjana Vijayan*Company Secretary*

Membership No: A55100

Mithun Appaiah*Chief Executive Officer*

Kochi

23 August 2019

Innovative Foods Limited**Cash flow statement for the year ended 31 March 2019**

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Loss before taxation	(18,79,79,155)	(25,53,73,809)
<i>Adjustments for:</i>		
Depreciation and amortisation	2,48,39,221	1,73,38,261
Finance cost	2,01,29,780	70,01,140
Interest income	(94,22,231)	(63,43,196)
Provision for doubtful debts	68,87,467	54,22,434
Deferred income on government grant	(19,04,758)	(40,917)
Unrealised foreign exchange gain, net	(13,62,694)	(4,71,633)
Profit on sale of property, plant and equipment	(3,69,373)	-
Operating cash flows before working capital changes	(14,91,81,743)	(23,24,67,720)
Increase in trade receivables	(5,48,08,426)	(1,30,13,659)
(Increase) / Decrease in inventories	96,96,030	(2,21,64,473)
Increase in loans and advances and other assets	(82,86,203)	(7,51,27,489)
Increase in liabilities and provisions	2,36,76,507	3,40,26,303
Net cash used in operating activities before taxes	(17,89,03,835)	(30,87,47,038)
Income tax paid (Net)	20,47,648	(9,20,013)
Net cash used in operating activities (A)	(17,68,56,187)	(30,96,67,051)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,72,38,978)	(16,92,09,267)
Proceeds from sale of property, plant and equipment	19,38,857	-
Receipts of government grants	82,10,000	82,10,000
Interest received	88,29,518	87,40,317
Net cash generated/(used) in investing activities (B)	(1,82,60,603)	(15,22,58,950)
Cash flows from financing activities		
Proceeds from issue of shares	20,00,00,000	-
Long term borrowings availed, net	31,22,225	10,40,00,000
Short term borrowings availed, net	(8,70,266)	5,95,83,105
Interest paid	(1,99,17,356)	(70,01,140)
Net cash generated from financing activities (C)	18,23,34,603	15,65,81,965
Net decrease in cash and cash equivalents (A+B+C)	(1,27,82,187)	(30,53,44,036)
Cash and cash equivalents at beginning of year	4,85,75,509	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 2.16)	3,57,93,321	4,85,75,509

Significant accounting policies (refer note 1)

The notes referred above form an integral part of the statement of cashflow

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

Baby Paul*Partner*

Membership No.: 218255

Arjun Ananth*Nominee Director*

DIN : 01207540

P Manoj Kumar*Whole Time Director*

DIN : 03527923

Anjana Vijayan*Company Secretary*

Membership No: A55100

Mithun Appaiah*Chief Executive Officer*

Kochi

23 August 2019

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 2019		As at 31 March 2018	
2.01 Share capital	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each *	11,50,00,000	1,15,00,00,000	11,50,00,000	1,15,00,00,000
	11,50,00,000	1,15,00,00,000	11,50,00,000	1,15,00,00,000
Issued, subscribed and paid-up				
Equity shares of Rs. 10 each fully paid-up*				
At the beginning and end of the year	7,39,37,780	73,93,77,800	7,39,37,780	73,93,77,800
Issued during the year	2,00,00,000	20,00,00,000	-	-
At the end of the year	9,39,37,780	93,93,77,800	7,39,37,780	73,93,77,800

* 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 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<i>Equity shares of Rs. 10 each fully paid up held by:</i>				
Peepul Capital Fund III,LLC, Mauritius				
(Ultimate Holding Company)*	9,31,68,586	93,16,85,860	7,31,68,586	73,16,85,860

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Peepul Capital Fund III,LLC,Mauritius				
(Ultimate Holding Company)*	9,31,68,586	99.18%	7,31,68,586	98.96%

(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

Note 1: 9,758,262 shares of Rs.10 each have been allotted to the erstwhile members 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 8 December 2006. In addition, 111 shares were issued to certain shareholders of the Company to round off fractional entitlements.

Note 2: 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 2019	As at 31 March 2018
2.02 Reserves and surplus		
<i>Securities premium account</i>	26,25,06,829	26,25,06,829
Balance at the beginning and end of the year	26,25,06,829	26,25,06,829
<i>Deficit in the statement of profit and loss</i>		
Balance at the beginning of the year	(77,01,74,113)	(51,48,00,304)
Add: net loss for the year	(18,79,79,155)	(25,53,73,809)
Balance at the end of the year	(95,81,53,268)	(77,01,74,113)
	(69,56,46,439)	(50,76,67,284)
2.03 Long-term borrowings		
<i>Secured</i>		
Term loan from banks	7,28,88,879	8,70,87,733
Vehicle loans	39,25,449	-
	7,68,14,328	8,70,87,733

Details of securities, terms and conditions on term loans

Lenders' name	Security terms	Tenure	Existing interest rate per annum
HDFC Bank Limited	Secured by exclusive charge on factory land and building located at Sy no 287/29 & 288/1, 2 & 3 at Ezhupunna village, Sy no 287/17A, 20 at Ezhupunna village, all movable fixed assets of the company (present and future) and stock and receivables of the Company.	44 - 72 months	10 -10.45%
	Secured by exclusive charge on factory building located at Sy no 20 and 21(part), Srinil Food Park, Mogili village, all movable fixed assets for the projects and of Chittoor factory and current assets of Chittoor factory.		
	Secured by Vehicle bearing Registration no AP39V1597 and Chassis no MB1AUPCC4JEXC1163 and Vehicle bearing Registration no AP39V1617 and Chassis no MB1CTCHDXJEXC1013		

2.04 Other long-term liabilities

Deferred grant	2,89,91,567	2,29,24,384
Security deposits from customers	57,67,206	75,49,306
	3,47,58,773	3,04,73,690

2.05 Long-term provisions

<i>Provision for employee benefits</i>		
Compensated absences	22,25,534	24,58,980
	22,25,534	24,58,980

2.06 Short term borrowings

<i>Secured</i>		
Cash credit	8,50,31,766	8,59,02,032
	8,50,31,766	8,59,02,032

The cash credit from HDFC Bank carries interest rate of 10.15% per annum and is repayable on demand. Cash credit is secured by :

- exclusive charge on stock, receivables and movable fixed assets of the Company, both present and future; and
- equitable mortgage of factory land and building of the Company located at Ezhupunna.

2.07 Trade payables

Total outstanding dues of micro enterprises and small enterprises*	22,62,309	16,75,570
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,94,96,339	5,03,55,674
	8,17,58,648	5,20,31,244

* 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	22,62,309	16,75,570
The interest due on the principal remaining outstanding as at the end of the year	6,72,026	6,17,614
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	6,72,026	6,17,614
The amount of interest accrued and remaining unpaid at the end of the year	6,72,026	6,17,614
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 31st March 2019 has been accrued	Interest due up to 31st March 2019 has been accrued

2.08 Other current liabilities

Current maturities of long term borrowings	3,03,07,897	1,69,12,267
Interest accrued on borrowings	10,95,711	8,83,287
Accrued expenses and dues to other creditors	3,60,07,396	6,47,92,929
Advances received from customers	18,12,661	29,27,165
Dues to creditors for capital goods	1,11,39,653	1,48,74,183
Accrued salaries and benefits	4,78,27,859	2,49,43,280
Deferred grant	19,04,758	16,65,699
Withholding taxes and statutory dues	31,24,852	35,10,589
	13,32,20,787	13,05,09,399

20.9 Short-term provisions

<i>Provision for employee benefits</i>		
Compensated absences	18,88,666	6,05,347
Gratuity	8,34,474	-
Provision for disputed claims (refer note 2.42)	60,43,061	60,43,061
	87,66,201	66,48,408

Innovative Foods Limited
Notes to the financial statements (All amounts are in Indian rupees, except share data and where otherwise stated)
2.10 Property Plant and equipments

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	For the year	Deletions	As at 31 March 2019	As at 31 March 2018
Freehold land	66,78,513	-	-	66,78,513	-	-	66,78,513	66,78,513
Lease Hold land	66,78,513	-	-	66,78,513	-	-	66,78,513	66,78,513
Buildings: factory	87,72,200	-	-	87,72,200	84,178	-	85,79,167	86,63,344
	87,72,200	-	-	87,72,200	84,178	-	86,63,345	87,47,523
Buildings: others	9,16,58,867	43,81,488	-	9,60,40,355	25,53,706	-	2,10,65,773	7,31,46,801
	3,55,77,404	5,60,81,463	-	9,16,58,867	7,83,731	-	1,85,12,066	1,78,49,069
Buildings: others	8,25,546	-	-	8,25,546	13,070	-	41,427	7,97,189
	3,50,546	4,75,000	-	8,25,546	9,320	-	28,357	3,31,509
Plant and Machinery	26,05,82,846	4,36,00,034	54,71,980	29,87,10,899	1,82,96,620	39,02,496	13,62,41,997	16,24,68,902
	16,07,38,995	9,98,43,848	-	26,05,82,843	1,39,82,528	-	12,18,47,873	13,87,34,970
Computers	68,76,250	4,11,949	-	72,88,199	7,88,477	-	60,56,707	12,31,492
	59,20,455	9,55,796	-	68,76,251	5,83,659	-	52,68,230	16,08,021
Office equipments	2,04,56,337	7,24,573	-	2,11,80,909	17,30,088	-	87,40,756	1,24,40,153
	94,51,225	1,10,05,113	-	2,04,56,338	6,95,235	-	70,10,668	1,34,45,670
Furniture and Fixtures	56,47,591	19,66,145	-	76,13,736	4,15,585	-	31,83,128	44,30,608
	31,14,571	25,33,020	-	56,47,591	88,053	-	27,67,543	28,80,048
Vehicles	26,70,662	56,75,617	-	83,46,279	3,18,977	-	24,67,592	58,78,687
	26,70,662	-	-	26,70,662	3,54,747	-	21,48,615	5,22,047
Total	40,41,68,812	5,67,59,805	54,71,980	45,54,56,636	2,42,00,702	39,02,496	17,79,90,413	24,64,76,603
Previous year	23,32,74,571	17,08,94,240	-	40,41,68,811	1,65,81,451	-	15,76,92,207	24,64,76,604

2.11 Intangible fixed assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	For the year	Deletions	As at 31 March 2019	As at 31 March 2018
Computer Software	40,42,607	1,58,711	-	42,01,318	6,38,519	-	31,02,943	10,98,375
	38,07,905	2,34,702	-	40,42,607	7,56,810	-	24,64,422	15,78,185
Brand	4,06,60,000	-	-	4,06,60,000	-	-	4,06,60,000	-
	4,06,60,000	-	-	4,06,60,000	-	-	4,06,60,000	-
Total	4,47,02,607	1,58,711	-	4,48,61,318	6,38,519	-	4,37,62,943	15,78,183
Previous year	4,44,67,905	2,34,702	-	4,47,02,607	7,56,810	-	4,31,24,422	15,78,185

Plant, property and equipment and capital work-in-progress includes borrowing cost in accordance with As16 - Borrowing cost aggregating Rs Nil (31 March 2018:Rs 4.58 million)
* Previous year figures are shown 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 2019	As at 31 March 2018
2.12 Long-term loans and advances		
<i>Unsecured, considered good</i>		
Rent and other deposits	1,01,25,044	84,39,737
Advance for capital goods	39,43,055	95,06,991
Income taxes deducted at source	44,95,230	65,42,878
	1,85,63,329	2,44,89,606
2.13 Other non-current assets		
Balance in banks as margin money deposits	2,65,38,047	2,49,24,884
	2,65,38,047	2,49,24,884
2.14 Inventories		
Stores and spares	25,80,778	27,96,792
Raw materials and packing materials		
- Raw materials*	2,59,43,868	2,43,06,778
- Packing materials *	77,92,824	63,25,305
	3,37,36,692	3,06,32,083
Work-in-progress		
- Marine products	4,42,716	3,91,971
- Others *	16,95,896	30,83,118
	21,38,612	34,75,089
Finished goods		
- Marine products	32,51,122	79,52,923
- Parathas	90,55,673	83,85,314
- Others *	1,83,66,067	1,85,77,513
	3,06,72,862	3,49,15,750
Less : provision for obsolete inventory	(6,73,625)	(5,00,938)
	2,99,99,237	3,44,14,812
Stock-in-trade	1,02,03,330	1,70,35,903
	7,86,58,649	8,83,54,679

* Do not individually exceed 10% of the total value of inventory

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 2019	As at 31 March 2018
2.15 Trade receivables		
<i>Unsecured</i>		
Debts outstanding for a period exceeding six months from the day they are due for payment		
- considered good	21,62,794	77,65,990
- considered doubtful	1,58,22,718	89,35,251
Less : provision for doubtful debts	(1,58,22,718)	(89,35,251)
	21,62,794	77,65,990
Other receivables		
- considered good	16,80,85,203	10,61,75,405
	17,02,47,997	11,39,41,395
2.16 Cash and Bank balances		
Cash and cash equivalents		
Cash on hand	2,87,188	3,41,427
Balances with banks		
- in current accounts	53,07,882	86,87,587
- in Deposit Accounts	3,01,98,251	3,95,46,495
	3,57,93,321	4,85,75,509
2.17 Short-term loans and advances		
<i>Unsecured, considered good</i>		
Advance to staff	-	8,32,825
Advance for supply of goods or rendering of services	480,30,860	69,66,879
Prepaid expenses	29,70,911	23,61,656
Balance with government authorities	3,81,32,275	3,24,58,108
	4,91,34,046	4,26,19,468
2.18 Other current assets		
<i>Unsecured, considered good</i>		
Interest accrued on fixed deposits	5,96,411	3,698
Deferred grant receivable	82,11,000	1,64,21,000
Gratuity	-	15,26,845
	88,07,411	1,79,51,543

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 2019	Year ended 31 March 2018
2.19 Revenue from operations		
Sale of products		
Own manufactured	60,19,10,977	44,27,81,490
Traded	10,06,72,099	12,45,26,739
	70,25,83,076	56,73,08,229
Less: excise duty	-	15,45,402
	70,25,83,076	56,57,62,827
<i>Other operating income</i>		
Export incentives	46,51,977	15,51,682
Deferred income on government grant	19,04,758	40,917
	65,56,735	15,92,599
Revenue from operations	70,91,39,811	56,73,55,426
<i>Own manufactured</i>		
Marine products	10,28,45,030	8,30,60,104
Parathas	15,87,74,197	12,35,41,310
Others *	34,02,91,750	23,61,80,076
Less: excise duty	-	15,45,402
	60,19,10,977	44,12,36,088
<i>Traded</i>		
Sausages	8,23,30,145	9,08,52,578
Others*	1,83,41,954	3,36,74,161
	10,06,72,099	12,45,26,739
	70,25,83,076	56,57,62,827

* Do not individually exceed 10% of the total sales

2.20 Other income

Interest income on bank deposits	3,06,32,083	1,27,39,236
Foreign exchange fluctuations, net	13,62,694	-
Profit on sale of property, plant and equipment, net	3,69,373	-
Miscellaneous income	19,32,124	5,13,720
	1,30,86,422	68,56,916

2.21 Cost of materials consumed (including packing material consumed)

Inventory of materials at the beginning of the year	3,06,32,083	1,27,39,236
Purchases		
Marine products	5,36,11,435	4,48,54,916
Others *	26,42,69,022	21,94,68,877
Inventory of materials at the end of the year	(3,37,36,692)	(3,06,32,083)
	31,47,75,848	24,64,30,946

* Do not individually exceed 10% of the total purchases

2.22 Purchase of stock-in-trade

Sausages	4,42,78,418	6,31,34,239
Others *	1,93,40,667	90,61,879
	6,36,19,085	7,21,96,118

* Do not individually exceed 10% of the total purchases

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 2019	Year ended 31 March 2018
2.23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	3,49,15,750	3,06,89,087
Work-in-progress	34,75,089	70,13,883
Stock-in-trade	1,70,35,903	1,64,86,869
	5,54,26,742	5,41,89,839
Closing stock		
Finished goods	3,06,72,862	3,49,15,750
Work-in-progress	21,38,612	34,75,089
Stock-in-trade	1,02,03,330	1,70,35,903
	4,30,14,804	5,54,26,742
Net (increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	1,24,11,938	(12,36,903)
2.24 Employee benefits expense		
Salaries, wages and bonus	13,37,04,206	16,14,85,172
Contribution to provident and other funds	93,71,279	86,59,137
Staff welfare expenses	29,17,135	79,18,776
	14,59,92,620	17,80,63,085
2.25 Finance costs		
Interest on borrowings	2,01,29,780	7,963,701
	2,01,29,780	70,01,140
2.26 Depreciation and amortization		
Depreciation on property, plant and equipment	2,42,00,702	1,65,81,451
Amortization on intangible assets	6,38,519	7,56,810
	2,48,39,221	1,73,38,261
2.27 Other expenses		
Contract manufacturing	6,15,50,840	5,23,15,626
Power and fuel	2,61,86,661	1,89,36,385
Storage and freezing	99,45,229	1,56,10,968
Freight, transport and distribution	6,35,93,331	4,55,44,007
Rent	48,10,310	58,80,656
Repairs and maintenance	1,02,62,648	89,43,988
Insurance	30,18,544	21,21,240
Rates and taxes	11,79,364	8,89,776
Marketing and sales promotion	9,77,46,429	11,17,57,931
Travelling and conveyance	1,79,41,485	2,26,12,093
Legal, professional and consultancy	1,10,05,286	52,17,826
Communication expenses	16,61,178	19,40,943
Inventory write down (obsolete, damaged and expired stock)	72,16,000	80,26,255
Bank charges	4,29,037	7,09,331
Foreign exchange fluctuations, net	-	4,71,633
Provision for doubtful debts	68,87,467	54,22,434
Miscellaneous expenses	50,03,087	33,92,412
	32,84,36,896	30,97,93,504

2.28 Capital commitments and contingent liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	10,75,405	39,65,996
Income tax demand under appeal (see note 1 below)	53,690	53,690
Sales tax demand under appeal (see note 1 below)	3,27,04,010	1,40,63,059
Commitment under Export Promotion Capital Goods (EPCG) scheme (see note 2 below)	8,95,75,320	8,36,42,520
Guarantees issued by banks (inclusive of guarantees given for EPCG scheme)	10,92,150	10,92,150
Claims against the Company not acknowledged as debts		
- Employee state insurance (see note 3 below)	4,07,000	4,07,000
- Employee provident fund (see note 4 below)	21,76,000	36,21,400
- Severance compensation (see note 5 below)	4,57,18,955	4,57,18,955

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 obtained duty free/ concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2019, export obligations remaining to the fulfilled amounts to Rs 89,575,320 (Previous year: Rs 83,636,520). In the event that export obligations are not fulfilled, the Company would be liable to levies and liquidated damages. The Company's bankers have provided guarantees to the customs authorities in this regard.
3. 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.
4. The Company had received a notice from the Employees Provident Fund Appellate Tribunal wherein a demand of Rs. 2,176,000 has been raised against the Company on account of the non-deduction of provident fund on wages paid to the employees working in the peeling section in the factory. The tribunal has directed the provident fund authorities to find out the beneficiaries for the Company to remit the amount in their names. The Employee Provident Fund authorities have not taken any steps in this regard.
5. V.S.Sitaram who ceased to be the CEO & Managing Director with effect from 25 July 2017, has filed an arbitration application against the Company before the Hon'ble City Civil Court at Bangalore and also filed Civil Miscellaneous Petition before the Hon'ble High Court of Karnataka, seeking for appointment of an Arbitrator. The Hon'ble High Court of Karnataka passed an order to appoint an arbitrator to settle the dispute between the parties wide the order no. dated 7 December 2018. The dispute pertains to the amount of severance compensation payable upon his termination.
6. On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

2.29 Loss per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net loss attributable to equity share holders	(18,79,79,155)	(25,53,73,809)
Weighted average number of equity shares of Rs. 10 each	9,10,33,670	7,39,37,780
Earnings per equity share of face value Rs. 10 each	(2.06)	(3.45)

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

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	10,17,500	9,25,000
Tax audit	1,17,500	1,00,000
Total	11,35,000	10,25,000

2.31 Expenditure in foreign currency

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Travelling and conveyance	9,47,468	9,56,103
Total	9,47,468	9,56,103

2.32 Earnings in foreign currency

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
FOB value of exports	8,00,28,178	5,89,28,341
Total	8,00,28,178	5,89,28,341

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Raw material, packing materials and traded goods	4,49,94,453	4,29,84,008
Components and spare parts	16,37,960	2,66,769
Total	4,66,32,413	4,32,50,777

2.34 Consumption of imported and indigenous raw materials and packing materials

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	%	Value (Rs)	%	Value (Rs)
Raw materials and packing materials				
- Imported	9	2,93,07,565	8	2,03,39,222
- Indigenous	91	28,54,68,283	92	22,60,91,724
Total		31,47,75,848		24,64,30,946

2.35 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 2019	Year ended 31 March 2018
India	60,31,71,165	49,01,74,217
Rest of the world	10,59,68,646	7,55,88,610
Total	70,91,39,811	56,57,62,827
Trade receivables	As at 31 March 2019	As at 31 March 2018
India	13,85,60,686	9,53,76,323
Rest of the world	3,16,87,311	1,85,65,073
Total	17,02,47,997	11,39,41,395

2.36 Leases

The Company is also obligated under cancellable operating leases for office and residential space. Total rental expense under cancellable operating leases during the year was Rs. 4,810,310 (Previous year: Rs. 3,498,295).

2.37 Employee benefits

(a) Defined contribution plans:

The Company makes contribution towards provident fund which is a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. An amount of Rs.6,188,269 (previous year: Rs. 5,901,075) has been recognised and included in "Contribution to provident and other funds" in the statement of profit and loss on account of provident fund, superannuation and other retirement benefits.

(b) Gratuity

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

Particulars	As at 31 March 2019	As at 31 March 2018
Obligations at the beginning of the year	53,33,480	66,53,832
Current service cost	7,22,497	5,98,569
Interest cost	3,20,692	4,15,463
Actuarial (gain) / loss	21,97,153	(14,34,563)
Past service cost	-	8,35,057
Benefits paid	(11,79,029)	(17,34,878)
Obligations at the end of the year	73,94,793	53,33,480
Change in plan assets		
Plans assets at the beginning of the year, at fair value	68,60,325	62,64,498
Expected return on plan assets	5,03,274	4,92,181
Actuarial gain / (loss)	(1,07,995)	(15,367)
Contributions	4,83,744	18,53,891
Benefits paid	(11,79,029)	(17,34,878)
Plans assets at the end of the year, at fair value	65,60,319	68,60,325
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	65,60,319	68,60,325
Present value of the defined benefit obligations at the end of the year	73,94,793	53,33,480

2.37 Employee benefits (continued)

Particulars	As at 31 March 2019	As at 31 March 2018
Net (asset) / liability recognized in the balance sheet	8,34,474	(15,26,845)
Gratuity cost for the year ended		
Current service cost	7,22,497	5,98,569
Interest cost	3,20,692	4,15,463
Expected return on plan assets	(5,03,274)	(4,92,181)
Actuarial (gain) / loss	23,05,148	(14,19,196)
Past service cost	-	8,35,057
Net gratuity cost	28,45,063	(62,288)
Discount rate	6.76%	7.18%
Expected rate of return on plan assets	7.50%	7.50%
Expected rate of salary increase	8%	9%
Retirement age	58 Years	58 years
Attrition	30%	30%

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				
	2019	2018	2017	2016	2015
Defined benefit obligation	73,94,793	53,33,480	66,53,832	55,62,717	44,16,179
Plan assets	65,60,319	68,60,325	62,64,498	43,16,576	43,21,484
Surplus/(deficit)	8,34,474	(15,26,845)	3,89,334	(12,46,141)	(94,695)
Experience adjustment on plan liabilities	22,09,195	(13,56,898)	5,86,737	12,20,720	(4,92,043)
Experience adjustment on plan assets	(1,41,547)	(48,179)	10,233	(36,817)	(6,174)

(c) Compensated absences

Assumptions	31 March 2019	31 March 2018
Discount Rate	6.76%	7.18%
Expected rate of salary increase	8%	9%
Retirement age	58 Years	58 years
Maximum accumulation of leave	90 days	90 days
Attrition rate	30%	30%

2.38 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

	Un-hedged payables*		Un-hedged receivables**	
Particulars	Foreign currency	Rs	Foreign currency	Rs
USD and Rupee equivalent	78,857	55,19,232	4,71,467	3,16,87,311
Previous year	1,14,830	76,04,021	2,91,286	1,85,54,933

* Un-hedged payables includes trade payable
** Un-hedged receivables includes trade receivables

2.39 Related parties

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

I) Enterprises where control exists

Relationship	Name of the party
Holding / ultimate holding Company	Peepul Capital Fund III, LLC, Mauritius (from 28 January 2016)
II) Other related parties with whom the group had transactions during the year	
(a) Entities under common control	Oriental Cuisines Private Limited Coastline Gourmet Private Limited Unibcs Foods india Private Limited

Key Management Personnel	
Chief Executive Officer and Whole Time Director	Mr. V S Sitaram (upto 6 August 2017)
Chief Executive Officer Whole time Director	Mithun Appaiah (from 14 September 2017)
Chief Financial Officer	Mr. P Manoj Kumar Ramanpreet Sohi (upto 10 May 2018)
	Rincy Abubakkar (upto 3 December 2018)
Company Secretary	Anjana Vijayan (From 1 April 2019)

Name of related party	Volume of Transactions		Outstanding Balance (Receivable / Payable)	
	Year ended 31 March		As at 31 March	
	2019	2018	2019	2018
Remuneration paid				
Manoj Kumar	69,62,738	53,24,242	14,588	14,213
V.S.Sitaram	-	2,68,69,972	(75,00,000)	(75,00,000)
Mithun Appaiah	1,20,16,178	33,17,345	(1,81,541)	1,38,385
Ramanpreet Sohi	4,16,670	39,69,648	-	-
Rincy Abubakkar	3,85,709	3,47,740	-	-
Revenue from operations				
Oriental Cuisines Private Limited	1,84,454	2,30,64,802	60,44,231	60,44,231
Coastline Gourmet Private Limited	-	24,11,573	-	4,40,652
Unibcs Foods india Private Limited	9,67,718	-	-	-

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.

2.40 Employee stock units program

The Company has 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 vests only on the occurrence of the liquidity event as defined in the program. Given that the plan is underwritten by the 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.

2.41 Deferred taxes

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<i>Deferred tax liability</i>		
Arising from timing difference in respect of:		
Property, plant and equipment and intangible assets	1,46,91,723	1,31,90,627
<i>Deferred tax assets</i>		
Unabsorbed depreciation and business loss	1,46,91,723	1,31,90,627
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.

2.42 Provision for disputed claims

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	60,43,061	63,80,143
Charge for the year	-	-
Amount written back/ utilised	-	3,37,082
Closing balance	60,43,061	60,43,061

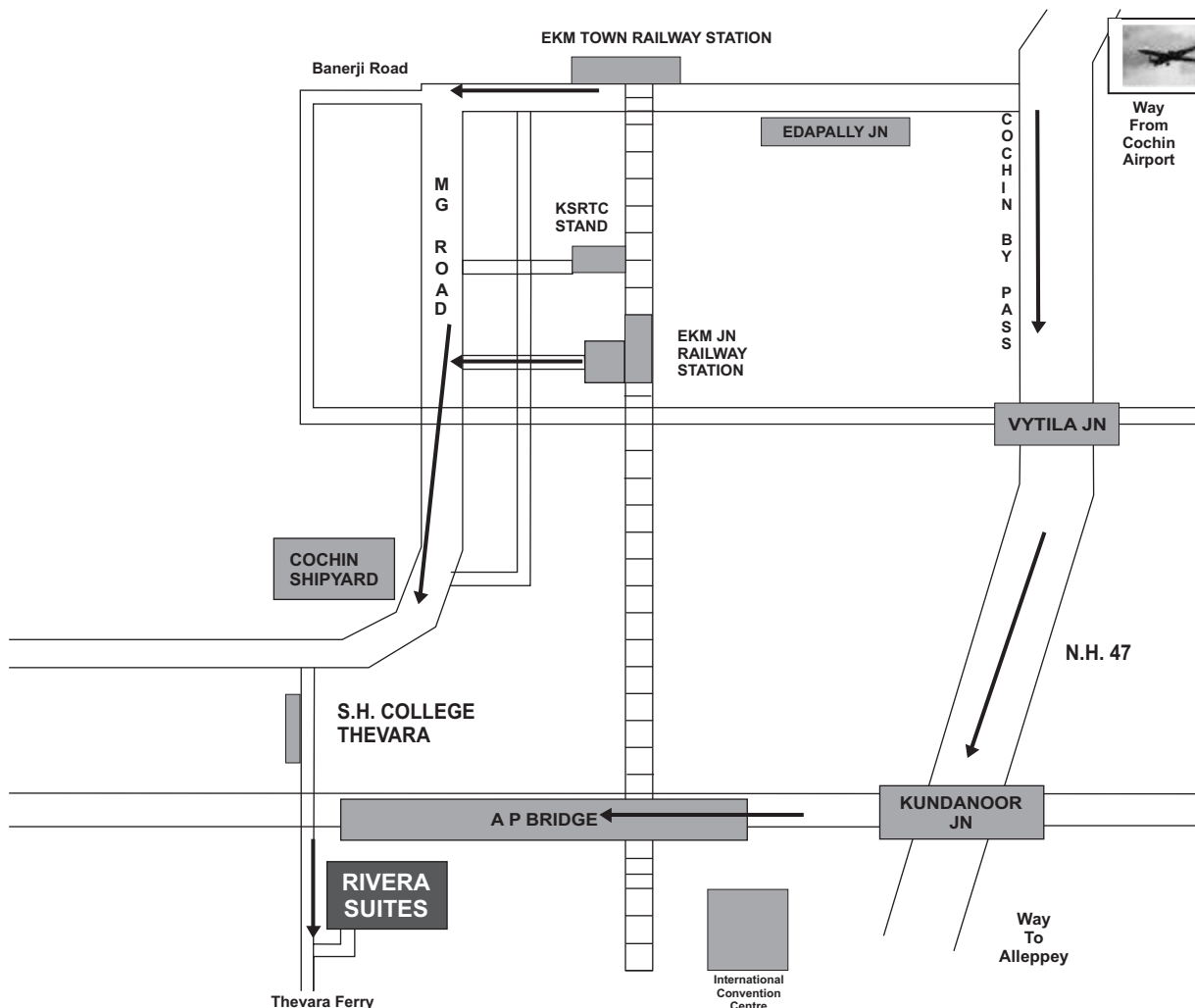
Note: Provision for disputed claims represents provisions created against certain statutory and other claims where the outflow of economic benefits is considered as probable and the measurement has been done using a substantial degree of estimation.

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		for and on behalf of the Board of Directors of Innovative Foods Limited CIN : U51909KL1989PLC005465	
Baby Paul Partner Membership No.: 218255		Arjun Ananth Nominee Director DIN : 01207540	P Manoj Kumar Whole Time Director DIN : 03527923
		Anjana Vijayan Company Secretary Membership No: A55100	Mithun Appaiah Chief Executive Officer

Kochi
23 August 2019



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.

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 **Tuesday the 24th day of September, 2019** 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 2018-19	For / Against
2	Appointment of M/s. BSR & Associates LLP, Chartered Accountants as Statutory Auditors	For / Against
	SPECIAL BUSINESS	
4	Regularise Mr. Ravinder Kishen Raina as Non-Executive and Independent Director	For / Against
5	Regularise Mr.Mithun Appaiah as Executive Director	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 Tuesday, 24th September 2019.

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:

INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED

2nd Floor, Kences Towers,

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

T. Nagar, Chennai - 600 017.