

24TH
ANNUAL REPORT
2017 – 2018

INNOCORP LIMITED

24TH ANNUAL GENERAL MEETING

Thursday 27th Day of September, 2018 AT 12:00 PM,
At Plot No. 41, IDA, Mallapur, Hyderabad. Telangana - 500076, India

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COMPANY INFORMATION**BOARD OF DIRECTORS**

1. Mr. Prasad V S S Garapati	Chairman & Managing Director
2. Mrs. K. Saraswathi	Whole Time Director
3. Mr. Sahu Garapati	Whole Time Director
4. Mr. Venkaiah Doniparthi	Director
5. Mr. Cherukuri Subrahmanyam	Director
6. Mr. Naga Mohan Babu Mangalapurapu	Director

CFO

Mr. Venu Garapati

STATUTORY AUDITORS

M/S. Ramasamy Koteswara Rao & Co.,
Plot No. 238/A, MLA's Colony
Road No. 12, Banjara Hills
Hyderabad-500034

INTERNAL AUDITOR

M/S. SVP& Co
Chartered Accountants
Hyderabad

BANKERS

Andhra Bank
Mallapur, Hyderabad

REGISTERED OFFICE

Plot No: 41, IDA
Mallapur Hyderabad – 500076, Telangana
CIN-L99999TG1994PLC018364
Email Id - info@innocorpltd.com

SHARE TRANSFER AGENTS

M/s. XL Softech Systems Ltd.3,
Sagar Society, Road No: 2
Banjara Hills, Hyderabad,
Telangana – 500 034

LISTED AT:

BSE Limited

<u>BOARD COMMITTEE</u>		
AUDIT COMMITTEE:	STAKEHOLDERS RELATIONSHIP COMMITTEE:	NOMINATION AND REMUNERATION COMMITTEE:
Cherukuri Subrahmanyam – Chairman Venkaiah Doniparti - Member Sahu Garapati - Member	Cherukuri Subrahmanyam – Chairman Venkaiah Doniparti - Member Sahu Garapati - Member	Cherukuri Subrahmanyam – Chairman Venkaiah Doniparti - Member Sahu Garapati - Member

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Plot No: 41, IDA, Mallapur, Hyderabad, Telangana-500076, on Thursday, 27th September, 2018 at 12.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2018 and the Profit and Loss account for the year ended on 31st March, 2018 and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Saraswathi Kovelamudi (DIN-01874573), who retires by rotation, being eligible offers herself for re-appointment

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. NAGA MOHAN BABU MANGALAPURAPU (DIN : 08013083) AS NON- EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

"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 149,150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (**"The Act"**) and the Companies (Appointment and Qualification of Directors)Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Naga Mohan Babu Mangalapurapu (DIN : 08013083)), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors as per Section 161(1) of the Act, at their meeting held on 08th day of February, 2018 and who holds office only upto the date of the ensuing Annual General Meeting, who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act and the Company hereby approves the appointment of Mr. Naga Mohan Babu Mangalapurapu as Non-Executive Independent Director for a term of 5 (Five) consecutive years with effect from 08th day of February, 2018, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act along with the deposit of requisite amount proposing the candidature of Mr. Naga Mohan Babu Mangalapurapu for the office of Director, be and is hereby appointed as a independent Director of the Company, whose office shall not be liable to retire by rotation."

**By order of the Board
For INNOCORP LIMITED**

Sd/-

**Mr. Prasad V S S Garapati
Chairman and Managing Director**

**Place: Hyderabad
Date: 14th August 2018
DIN:- 00209436**

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
3. The Register of members and share transfer books of Company shall remain closed from **FRIDAY 21st SEPTEMBER, 2018 TO THURSDAY 27th SEPTEMBER, 2018** (both days inclusive) for the purpose of AGM.
4. Members are requested to notify any change in their addresses to the Company immediately.
5. Members desirous of obtaining any information on the Annual Accounts of the Company are requested to write to the Company at least 7 working days before the date of the meeting to enable the Company for compilation of the required information.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. XL Softech Systems Ltd.3, Sagar Society, Road No: 2 Banjara Hills, Hyderabad, Telengana – 500034.
7. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Service (India) Limited (CDSL):

Commencement of e - voting: From 10.00 A.M. on Monday, 24th September, 2018 to 05.00 P.M. on Wednesday, 26th September, 2018

E-voting shall not be allowed beyond 05.00 P.M. on 26th September, 2018. During the e-voting period, shareholders of the Company, holding shares either in physical form, may cast their vote electronically.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being attached in the Annual Report.

The Company has appointed Mr.Anand Kumar Kasat, Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

**By order of the Board
INNOCORP LIMITED**

Sd/-

**Mr. Prasad V S S Garapati
Chairman and Managing Director
DIN:- 00209436**

**Place: Hyderabad
Date: 14th August 2018**

Information in respect of directors seeking appointment/re-appointment

NAME OF THE DIRECTORS	SARASWATHI KOVELAMUDI	NAGA MOHAN BABU MANGALAPURAPU
Date of first appointment	21-09-1994	08/02/2018
Date of birth/age	22/04/1955	08/08/1983
Expertise in specific functional areas	Marketing	Marketing & HR
Educational qualification	BSC	MBA
Chairman/member of the committees of Board of Directors of the company	Nil	Nil
List of Directorships, Committee Chairmanship, Membership held in other companies as on dated excluding private limited Company and Section 8	INNOVATIONS PAYMENT SERVICES LIMITED	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No -3**

Mr.Naga Mohan Babu Mangalapurapu, (DIN - 08013083) who was appointed as an Additional Director of the company w.e.f. 8th February, 2018 pursuant to the provisions of Section 161 and other applicable provisions if any of the Companies Act, 2013, holds office up to the date of this Annual General Meeting of the company and is eligible for appointment. In terms of Section 160 of the Companies Act, 2013, the company has received a notice in writing along with a deposit of requisite amount from a Member signifying his intention to propose the candidature of Mr.Naga Mohan Babu Mangalapurapu for the office of Director.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the independent directors have come into effect. as per the said provisions, the independent directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

In terms of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013, Mr.Naga Mohan Babu Mangalapurapu, being eligible, offer himself for appointment as Independent Director on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr.Naga Mohan Babu Mangalapurapu, as Independent Director on the Board of the Company for a term upto five (5) consecutive years, from 08.02.2018. A brief profile of proposed Independent Director, including nature of their expertise, is provided in the Annual Report

Notices have been received from Members proposing candidate of the above Director for the office of Independent Director of the Company. In the opinion of the Board, Mr.Naga Mohan Babu Mangalapurapu, fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, is concerned or interested, financially or otherwise, in these Resolutions. The Board commends the Ordinary Resolution as set out at item no. 3 for approval of the Members

**By order of the Board
INNOCORP LIMITED**

**Place: Hyderabad
Date: 14th August 2018**

Sd/-
Mr. Prasad V S S Garapati
Chairman and Managing Director
DIN: - 00209436

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2018.

FINANCIAL HIGHLIGHTS**(Rs. in LAKHS)**

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Sales (Excl. Duties and Taxes)	122.17	216.08
Other Income	0.00	0.00
Total Income	122.17	216.08
Total Expenditure	239.54	278.42
Profit Before Depreciation and Taxation	-26.18	-55.05
Depreciation	44.94	48.39
Profit Before Tax	-18.75	-103.44
Tax	49.66	158.71
Net Profit / (Loss)	-68.42	-262.16

COMPANY PERFORMANCE:

Your Board would like to bring to your notice that the Company has witnessed significant fall in production due to reduction in orders from Tupperware and profitability during the financial year under review when compared to the last year.

Due to recessionary conditions of market and increasing competition, during the financial year under review, your Company has achieved total net of sales of Rs. 216.08 Lakh when compared to last year sales of Rs.166.05 lakh and recorded net loss of Rs.262.16 lakh for the financial year 2016-17 when compared to net Loss of Rs.121.52 lakh during the previous year.

SHARE CAPITAL:

The paid up equity share capital of the Company as on 31st March, 2018, is Rs.79,41,400/- During the year under review, the Company has not issued shares with differential voting rights, sweat equity shares or Employee Stock Options.

TRANSFER OF AMOUNT TO GENERAL RESERVE:

No amount has been transferred to reserves during the year.

DIVIDEND:

During the Financial Year 2017-18, Your Company has incurred loss, hence your Directors do not recommend any dividend for the Financial Year 2017-18.

FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from the its member and public during the Financial Year.

BOARD MEETINGS

During the year under review, five board meetings were held on 19.05.2017, 01.09.2017, 14.09.2017, 14.11.2017, and 8.02.2018. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 in the following manner:

i. Structured evaluation forms, as recommended by the Nomination and Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.

ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.

iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 13th February 2017 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

DIRECTORS

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Saraswathi Kovelamudi, Director of the Company will retire by rotation and at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(b) of the SEBI (Listing obligations and disclosure requirements) regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs

of the Company at the end of the financial year 2017-18 and of the profit or loss of the Company for that period;

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2017-18 have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 At the Annual General Meeting (AGM) held on September 30, 2016, M/s. Ramasamy Koteswara Rao & Co (FRN: 010396S), Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of that AGM till the conclusion of the 27th AGM (subject to ratification of the appointment by the members at every AGM held after that AGM) at such remuneration as may be decided by the Board of Directors. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting.

Accordingly, Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

INTERNAL AUDITOR:

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. SVP& Co Chartered Accountants, Hyderabad, as the Internal Auditors of the Company. The Internal Auditors are submitting their reports on quarterly basis.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

A Statement of particulars of the conservation of energy, technology absorption and foreign exchange earnings and outgoings is given as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is enclosed as **ANNEXURE A**.