

**TWENTY NINTH
ANNUAL REPORT
2018-19**



FLEX FOODS LIMITED



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

TWENTY NINTH ANNUAL REPORT 2018-2019

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman

P.N. SHARMA

ANUPAM AHUJA (Resigned w.e.f. 17.05.2019)

R.K. MISHRA

A. RAGHAVENDRA RAO

Whole Time Director

COMPANY SECRETARY

RAJESH DHEER

AUDITORS

Statutory Auditor

MJMJ & ASSOCIATES, LLP
Flat No. 905, Millenia Emerald Heights Apartments,
Ramprastha Green, Sector 7, Vaishali,
Gaziabad, Uttar Pradesh 201010

Internal Auditor

VIJAY SEHGAL & CO.
100, New Rajdhani Enclave
Delhi-110 092

Secretarial Auditor

MAHESH GUPTA & CO.
Wadhwa Complex, Chamber No. 110,
Ground Floor, D-288-299/10, Laxmi Nagar,
Delhi-110 092

BANKERS

CANARA BANK
ALLAHABAD BANK

REGISTERED OFFICE

Lal Tappar Industrial Area,
P.O. Resham Majri,
Haridwar Road,
Dehradun (Uttarakhand)
Phone: (0135) 2499234, (0135) 2499262
Fax: (0135) 2499235

SHARE DEPARTMENT

305, Third Floor, Bhanot Corner,
Pamposh Enclave,
Greater Kailash - I
New Delhi - 110048
Phone Nos.: 26440917, 26440925
Fax No. : 26216922
E-mail : secretarial@uflexltd.com

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd
Beetal House, 3rd Floor
99, Madangiri, Beind Local Shopping Centre
Near Dada Harsnath Das Mandir
New Delhi
Phone Nos.: 011 29961281 - 83
Fax No. : 011 29961284
E-mail : beetal@beetalfinancial.com

WORKS

Lal Tappar Industrial Area,
P.O. Resham Majri,
Haridwar Road,
Dehradun
(Uttarakhand)

Chidderwala
Dehradun
(Uttarakhand)

**NOTICE**

Notice is hereby given that the 29th Annual General Meeting of the Members of Flex Foods Limited will be held on Monday the 05th Day of August, 2019 at 11.30 A.M. at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand for transacting the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and the Auditors thereon;
2. To declare the dividend for the year 2018-2019 on the equity shares of the Company.
3. To appoint a Director in place of Shri A. Raghavendra Rao (DIN 05116052) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Rajendra Kumar Mishra (DIN 07905342), who was appointed as an Independent Director and who holds office of Independent Director upto 15th August, 2020 being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 3 (three) consecutive years i.e from 16th August, 2020 to 15th August, 2023 and whose office shall not be liable to retire by rotation.”

By Order of the Board

Rajesh Dheer

Company Secretary
FCS No. 3060

Place : NOIDA

Date : 25 May, 2019

Regd. Office:

Lal Tappar Industrial Area,
P.O. Resham Majri,
Haridwar Road, Dehradun,
Uttarakhand

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 30.07.2019 to 05.08.2019. (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON**

BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL 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 less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
5. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs 12,08,588 (Rupees Twelve Lacs, Eight Thousand Five Hundred Eighty Eight only) being the unpaid and unclaimed dividend amount pertaining to Dividend, 2010-11 to the Investor Education and Protection Fund of the Central Government
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company
8. Electronic copy of the Annual Report of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.



9. The Company has paid the Annual Listing Fees for the year 2019-2020 to the BSE Limited on which the Company's Securities are presently listed.
10. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been paid/claimed by the shareholders on such shares during the last seven years to the designated Account as prescribed by the IEPF Authority. In pursuance of Compliance of said rules Company has transferred 42428 (Forty Two Thousands Four Hundred Twenty Eight) Equity Shares to Investor Education and Protection Fund (IEPF).
11. 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 as amended and Regulation 44 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL)
 - That the facility for voting, through Ballot Paper shall also be made available at the Meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
 - That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

The process & manner for e-voting are as under:

- The voting period begins on **02.08.2019 (9:00 AM)** and ends on **04.08.2019 (5:00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **29.07.2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders." Tab.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

- 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.
- 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> <p>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> <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> <p>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 (iv).</p>

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for **FLEX FOODS LIMITED** on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- xiv) 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.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) Note for Non – Individual Shareholders and Custodians
- 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 Corporate
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.
 - 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.
 - 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.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
12. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the *cut-off date* i.e 29.07.2019.
13. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
14. Shri Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
15. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
16. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
17. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.flexfoodsltd.com and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.
18. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company.
- EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**
- 4) Appointment of Mr. Rajendra Kumar Mishra (DIN 07905342), as an Independent Director of the Company**
- Shri Rajendra Kumar Mishra (DIN 07905342), was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He holds office as Independent Directors of the Company up to 15th August, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Shri Rajendra Kumar Mishra, has recommended reappointment of Shri Rajendra Kumar Mishra as an Independent Director for a second term of 3 (three) consecutive years i.e. from 16th August, 2020 to 15th August, 2023. The Board, based on the performance evaluation of Shri Rajendra Kumar Mishra and as per the recommendation of the Nomination and Remuneration Committee, considers that, given is background and experience and contributions made by him during his tenure, the continued association of Shri Rajendra Kumar Mishra would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Shri Rajendra Kumar Mishra as an Independent Director of the Company, not liable to retire by rotation and



to hold office for a second term of 3 (three) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to three consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Shri Rajendra Kumar Mishra is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received notice in writing from a member under section 160 of the Act, proposing candidature of Shri Rajendra Kumar Mishra for the office of Independent Director of the Company. The Company has also received declarations from Shri Rajendra Kumar Mishra that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Shri Rajendra Kumar Mishra fulfil the conditions for appointment as

an Independent Director as specified in the Act and the Listing Regulations. Shri Rajendra Kumar Mishra is independent of the Management.

Details of Shri Rajendra Kumar Mishra is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Rajendra Kumar Mishra is interested in the resolution set out at Item No 4 of the Notice with regard to his re-appointment.

Save and except the above, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No.4 of the Notice.

By Order of the Board

Rajesh Dheer

Company Secretary
FCS No. 3060

Place : NOIDA
Date : 25 May, 2019

Regd. Office:

Lal Tappar Industrial Area.
P.O. Resham Majri,
Haridwar Road,
Uttarakhand

FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and SS-2 issued by ICSI

Name of Director	Shri A. Raghavendra Rao	Shri Rajendra Kumar Mishra
Date of Birth	19.06.1966	08.05.1957
Date of Appointment	14.08.2017	16.08.2017
Experience in specific Functional areas	He is Science Graduate having an experience of apprx 30 years in the field of Agri Commodities	He is post graduate in Mechanical Engineering from IIT, Kanpur and wide experience of working in various administrative capacities.
Qualification	Graduate	Post Graduate
Terms and Conditions of appointment or re-appointment	Shri A. Raghavendra retires by rotation at the ensuing Annual General Meeting	Shri R.K. Mishra is proposed to be re-appointed as an Independent Director of the Company for second term.
Remuneration sought to be paid	Shri A. Raghavendra retires by rotation at the ensuing Annual General Meeting. Remuneration is being paid as per terms and condition earlier approved by the shareholders.	Nil
Remuneration last drawn	As above	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors, Manager and other key managerial personnel	Not related to any other Directors and other key managerial personnel of the Company	Not related to any other Directors and other key managerial personnel of the Company
No. of Meeting of the Board attended	3	4
Directorship in other Public Limited Companies / excluding private companies which are subsidiary of public company	Nil	Nil
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Committee of Director 1 Flex Foods Limited Stakeholders' Relationship Committee 1 Flex Foods Limited Corporate Social Responsibility Committee 1 Flex Foods Limited	Audit Committee: 1 Flex Foods Limited Stakeholders' Relationship Committee 1 Flex Foods Limited Nomination and Remuneration Committee 1 Flex Foods Limited Corporate Social Responsibility Committee 1 Flex Foods Limited

None of the non-Executive Director of the Company hold any shares convertible instruments in the Company except Shri Ashok Chadurvedi (Non-Executive Chairman) who hold 7610 equity shares of the Company.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting this Twenty Ninth Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2019.

The summarized financial results for the year ended 31st March, 2019 and for the previous year ended 31st March, 2018 are as follows:

[Rs. in Lacs]

	Year Ended 31.03.2019	Year Ended 31.03.2018
Revenue from Operations	8,536.63	9,122.57
Other Income	164.41	245.59
Total Revenue	8,701.04	9,368.16
Profit before Finance Cost, Depreciation & Tax	1,954.68	1,932.62
Finance Cost	330.92	363.42
Depreciation	524.67	500.16
Profit before Tax	1,099.09	1,069.04
Less : Tax Expenses	(4.22)	388.26
Profit for the year	1,103.31	680.78

During the year under review, your Company achieved total revenue and net profit of Rs 8,701.04 Lacs and Rs 1,103.31 Lacs respectively as against total revenue and Net Profit of Rs. 9,368.16 Lacs and Rs 680.78 Lacs respectively during the previous financial year ended 31st March, 2018.

The comprehensive details of performance of the Company have been given in the Management Discussion and Analysis Report appended hereto.

TRANSFER OF UNCLAIMED DIVIDEND

An amount of Rs 12,08,588 (Rupees Twelve Lacs Eight Thousand Five Hundred Eighty Eight only) was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

TRANSFER OF UNCLAIMED SHARES TO AUTHORITY

As per the provision of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has transferred 42,428 (Forty Two Thousand Four Hundred Twenty Eight) Equity Shares on which Dividend was not paid/claimed for more than seven years to the Investor Education and Protection Fund (IEPF) during the year under review.

DIVIDEND

Yours Directors are pleased to recommend a dividend @ Rs. 1.00 (10%) per share for the financial year ended March 31, 2019 after considering business exigencies.

The dividend if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 30th July, 2019. In respect of share held in dematerialized form, it will be paid to those member whose names are furnished by National Securities Depository Limited and Central Depository Service (India) Limited as beneficial owner.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company.

SHARE CAPITAL

The paid-up equity share capital outstanding as on 31st March, 2019 was Rs.12.45 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31st March, 2019 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Mr. Ashok Chaturvedi – 7,610 Equity shares

FIXED DEPOSITS

The Company neither had any fixed deposits outstanding as at 31st March 2019 nor any fresh/renewal of deposits were accepted during the financial year 2018-19. There were no unclaimed deposits as at March 31, 2019.

DIRECTORS

None of the Director of the Company are disqualified under the provision of the Company's Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. A. Raghavendra Rao, Whole-time Director (DIN 05116052) of the Company retire by rotation and being eligible, offers himself for reappointment..

The first term of Mr. R.K. Mishra (DIN 07905342) as an Independent Director of the Company is expiring on 15.08.2020 and on the recommendation of Nomination and Remuneration Committee, the Board has proposed re-appointment of Mr. R.K. Mishra for approval of shareholder through Special Resolution for second term of 3 years.

The brief Resume and other details as required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 and SS-2 issued by ICSI are provided in the Notice of Annual General Meeting of the Company.

Mrs. Anupam Ahuja resigned from the Board of Directors of the Company w.e.f. 17.05.2019 due to her pre-occupation and extensive travel that her full day job demanded. The Board of Directors place on record their appreciation for the valuable contribution made during her tenure as Director of the Company.

All the Independent Directors of your Company have given declarations confirming that they meet the criteria of Independence as prescribed both under the Act and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Familiarization Programme to Independent Directors of the Company are put up on the website of the Company at the link <https://www.flexfoodsLtd.com/pdf/Familiarization-Program-for-Independent-Directors/Familiarization-Program-for-Independent-Directors-2018-2019.pdf>

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of compliance certificates received from the Executives of the Company, subject to disclosures in the Annual Accounts and also on the basis of the discussion with the Statutory Auditors/Internal Auditors of the Company from time to time, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:



- a. that in the preparation of the Annual Financial Statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Company has selected such accounting policies and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the Profit of the Company for the year ended on that date;
- c. that 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;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee constituted by the Board reviewed the internal controls and financial reporting issues with Internal Auditors and Statutory Auditors.

STATUTORY AUDIT & AUDITORS

There is no change in Statutory Auditors as M/s. MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013), will continue as Statutory Auditors of the Company. They were appointed as Statutory Auditor of the Company for a term of five years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013.

The Report given by M/s. MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013)), Statutory Auditors on the financial statement of the Company for the year 2018-19 is part of the Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed to the Boards Report.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2019 are self-explanatory and therefore do not call for any further comments.

Internal Auditors

The Board of Directors of your Company has re-appointed M/s. Vijay Sehgal & Co., Chartered Accountants, New Delhi (Firm Registration No.000374N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2019-2020.

Secretarial Auditors

The Board has re-appointed M/s Mahesh Gupta & Co., Practicing Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-2020. The Report of the Secretarial Auditor is annexed to the Report as per **Annexure 'A'**.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of

Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises Mr. P.N. Sharma, Chairman, Mr. Rajendra Kumar Mishra, Member and Mr. A. Raghavendra Rao, Member. The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.flexfoodsltd.com/pdf/CSRPolicy.pdf>.

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society and environment.

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure –“B”** is integral part of this Report.

The Company was required to undertake CSR activities utilising Rs.24.11 lacs based on the average profits of the three preceding financial years. However, the Company has spent of Rs.2.90 lacs upto 31st March, 2019. It was explained that after withdrawal of support to NGO AROH the Company has not been able to identify any meaningful CSR activity for spending of the balance amount of Rs. 21.21 Lacs funds on CSR activities.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 with the Stock Exchanges.

A separate Report on Corporate Governance along with Report on Management Discussion and Analysis is enclosed as part of this Report as **Annexure 'C' & 'D'**.

Disclosure under Companies Act, 2013

(i) Extracts of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 is annexed as per Annexure E which forms as an integral part of this Report and is also available on the Company's website www.flexfoodsltd.com.

(ii) Meetings

During the year, four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in Corporate Governance Report appended hereto.

(iii) Composition of Audit Committee

Due to resignation of Mrs. Anupam Ahuja from the Directorship of the Company, the Board has re-constituted the Audit Committee, which now comprises of Mr. P.N. Sharma as the Chairman, Mr. Rajendra Kumar Mishra and Mr. A. Raghavendra Rao as the Members. More details about the Committee are given in the Corporate Governance Report appended hereto.

(iv) Related Party Transactions

All related party transactions are negotiated on an arms-length basis and are in ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. However, suitable disclosure has been made in the notes to the Financial Statements.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website www.flexfoodsltd.com at the weblink <https://www.flexfoodsltd.com/pdf/Related-Party-Policy.pdf>

(v) Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments are given in the accompanying Financial Statements.



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by any Regulator or Court, which would impact the going concern status of the Company and its future operations.

INTERNAL FINANCIAL CONTROLS

A detailed note has been provided under Management Discussion and Analysis Report appended hereto.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Fraud-free and corruption-free work culture has been the core of the Company' functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address this risk.

To meet this objective, a Whistle Blower Policy has been laid down. The same policy as approved by the Board was uploaded on the Company's website www.flexfoodsltd.com at weblink <http://www.flexfoodsltd.com/pdf/whistleblowerpolicy.pdf>

BOARD EVALUATION :

Pursuant to the Provisions of the Companies Act, 2013 and under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance and that of its committees and all the Directors individually.

The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaint was received from any employee during the financial year 2018-2019 and hence no complaint is outstanding as on 31st March, 2019 for redressal.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, 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 :

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2019 and the date of this report affecting financial position of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

RISK MANAGEMENT POLICY

Risk Management is a very important part of any business. Company's Risk Management Policy divides Risk into two broad categories; one Risk Associated at the Transactional Level and the other Risk Associated at the Decision Making Level.

In respect of the Risk Associated at Transactional Level, the company has appropriate control mechanism and operating effectiveness of the Internal Financial Controls and ensure Legal Compliance. The company has created appropriate structures with proper delegation of duties and responsibilities of employee at each level on enterprise basis for compliances thereof.

In respect of Risk Associated at Decision Making level like political, social & economic, market, technology, capital structure, foreign exchange & interest rate, they are evaluated before taking any strategic & financial decisions.

Adequacy and operative effectiveness of the Internal Financial Control and ensuring Legal Compliance are periodically reviewed by the Management, Internal Auditors, Statutory Auditors and the Audit Committee.

However no risk has been identified which in the opinion of the Board may threaten the existence of the Company.

INTERNAL POLICY ON REMUNERATION

The company has Nomination and Remuneration Policy for Directors, Key Management Personnel and Senior Management Personnel. The said policy is available at [https://www.flexfoodsltd.com/pdf/Nomination Remuneration Policy.pdf](https://www.flexfoodsltd.com/pdf/Nomination_Remuneration_Policy.pdf)

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES :

The company does not have any subsidiary or Joint Venture. However, the company is associate company of Uflex Limited.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as per **Annexure 'F'**.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed as "**Annexure 'G'**".

DISCLOSURE OF COST RECORD

The provisions of maintenance of cost records specified by the Central Government under subsection-(1) of section 148 of the Company's Act, 2013 for the products dealt/manufacture by the Company are not applicable of the Company.

PERSONNEL

Personnel relations with all employees remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciations for the continued, sincere and devoted services rendered by all the employees of the Company.

ACKNOWLEDGEMENT

The Directors express their gratitude and thanks to all the Institutions & Banks, Government Authorities where company's operations are carried out, Shareholders, Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

For & On behalf of the Board

Ashok Chaturvedi
Chairman
(DIN 00023452)

Place : NOIDA
Dated : 25th May, 2019



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST 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

FLEX FOODS LIMITED

(CIN: L15133UR1990PLC023970)

**Lal Tapper Industrial Area, P.O. Resham Majri,
Haridwar Road, Dehradun,
(Uttarakhand)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FLEX FOODS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 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:

We 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, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 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
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable as the Company did not issue any securities during the financial year under review.**

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as the Company has not issued any debt securities during the financial year under review.**
- 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- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not got delisted its equity shares from any stock exchange during the financial year under review.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- vi) The management has identified and informed the following laws as being specifically applicable to the Company:
 1. Indian Boilers Act, 1923 and Rules made thereunder
 2. Indian Explosives Act, 1984 and all other Acts and Rules Applicable
 3. Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
 4. Air (Prevention and Control of Pollution) Act, 1981
 5. Environment (Protection) Act, 1986 and Rules made thereunder
 6. Legal Metrology Act, 2009 and Rules made thereunder
 7. Food Safety and Standards Act, 2006

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above. However, the Company



has spent an amount of Rs2.90 lacs as against Rs24.11 lacs which the Company was required to spend pursuant to Section 135(5) of the Companies Act, 2013 during the financial year 2018-19.

We further report that

The Board of Directors and the Committees of the Company are duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meeting and Committee meetings are carried out unanimously and the views of dissenting members, if any, are captured and recorded as part of the minutes of Board of Directors or Committees of the Board, as the case may be.

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates issued by the Whole-time Director & CEO and CFO and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has 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.

We further report that during the audit period no major actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. above taken place except the Company had adapted new set of Articles of Association of the Company.

Place: Delhi
Date: 25.05 2019

For Mahesh Gupta and Company
Company Secretaries
Mahesh Kumar Gupta
Proprietor
FCS No.: 2870
C P No.: 1999

This report is to be read with our letter of even date which is annexed as 'Annexure -A' and forms an integral part of this report.

ANNEXURE - A-1

To
The Members
FLEX FOODS LIMITED
(CIN: L15133UR1990PLC023970
Lal Tapper Industrial Area, P.O. Resham Majri,
Haridwar Road, Dehradun,
(Uttarakhand)

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

Place: Delhi
Date: 25.05 2019

For Mahesh Gupta and Company
Company Secretaries
Mahesh Kumar Gupta
Proprietor
FCS No.: 2870
C P No.: 1999



**ANNEXURE - B
CSR REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. The Company has framed a CSR Policy in compliance with the Provisions of Companies Act, 2013 and the same is placed on the Company's website www.flexfoodsltd.com and the weblink for the same is <http://www.flexfoodsltd.com/PDF/Corporate-Social-Responsibility-Policy/CSRPolicy.pdf>
2. The Composition of the CSR Committee Mr. P.N. Sharma, Chairman
Mr. R.K. Mishra, Member
Mr. A. Raghavendra Rao, Member
3. Average net profit of the company for last three financial years: Average net profit Rs. 1205.50 Lacs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) Rs 24.11 Lacs
5. Details of CSR spent during the financial year:
 - a) Total amount to be spent for the financial year; Spent Rs.2.90 Lacs
 - b) Amount unspent, if any; Rs.21.21 Lacs
 - c) Manner in which the amount spent during the financial year is detailed below:

**ANNEXURE - B-1
CSR ACTIVITIES AT FLEX FOODS LIMITED FOR FY 2018-19**

S. No	CSR project or activity identified	Sector in which the Project or Program is covered	Project or programme geography 1) Local area or other 2) Specify the State and district where Project or Program was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Project or Program Sub-heads 1) Direct Expenditure on Project or Program 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementation Agency
1	Ecosystem Restoration through Community Action	Companies Act 2013; Section 135, Schedule VII, item iv Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water	Location : Noida (2 Villages)	20 Lakh	Direct Expenditure: Rs. 2,90,459/-	Rs. 290459/-	AROH FOUNDATION - registered organization
			TOTAL	Rs.20,00,000/-		Rs. 290459/-	

6 In the case of company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reason for not spending the amount shall be stated in the Board Report.

Company consider social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

The Company was required to spend Rs. 24.11 Lacs during the year, but could spent Rs. 2.90 Lacs, reason for which is provided in the Directors Report to the members of the Financial Year 2018-19.

7 The CSR Committee confirms that the implementation and monitoring if the CSR policy is in compliance with the CSR objectives and policy of the Company.

Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

Place :Noida
Dated 25 May, 2019

Ashok Chaturvedi
Chairman
DIN 00023452

Mr. P.N. Sharma
(Chairman of CSR Committee)
DIN 00023625



ANNEXURE - C REPORT ON CORPORATE GOVERNANCE

Corporate Governance

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (The Listing Regulations) the Company submits the Report on Corporate Governance followed by the Company.

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to ensure the best possible management team with adequate numbers of professional experienced people. The Company firmly believes that sound practices adopted in the governance of its affairs based on openness, transparency, capability and accountability is *sine-qua-non* for long term success, building the confidence of its stakeholders, its functioning and conduct of business.

2. Board of Directors

(a) Composition and category of the Board (As on March 31, 2019)

The Board of Directors of the Company comprises of Five Directors with one Executive Director and three Independent Non-executive Directors including a Woman Director and one Non-executive Directors. Chairman of the Company is Non-executive Director. The Board consists of eminent persons with considerable professional experience in the field of business, industry, finance, audit and law and public enterprises. None of the Independent Directors of the Company serve as an Independent Director in more than Seven listed Companies and where any Independent Director is serving as a Whole-time Director in any listed company, such Director is not serving as an Independent Director in more than three listed Companies. All the Directors have made disclosures regarding their directorship and memberships on various Committees across all Companies in which they are directors and/or members.

The Composition of the Board of Directors & Category of Directors is as follows:-

Name of Directors	DIN	Designation	Category
Mr. Ashok Chaturvedi	00023452	Chairman	Promoter -Non-executive
Mrs. Anupam Ahuja@	03261077	Director	Independent, Non-executive
Mr. P.N. Sharma	00023625	Director	Independent, Non-executive
Mr. Rajendra Kumar. Mishra	07905342	Director	Independent, Non-executive
Mr. A. Raghavendra Rao	05116052	Whole-time Director	Executive

@ Mrs. Anupam Ahuja has resigned from the Board w.e.f. 17.05.2019

b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2018-2019. The dates on which the meetings were held are, 26th May, 2018, 09th August, 2018, 02nd November, 2018 and 06th February, 2019. The gap between two meetings was not more than 120 days.

i) Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committees of each Director in various Companies are as follows:

Name of the Directors	Attendance Particulars	
	Board Meetings	Last AGM
Mr. Ashok Chaturvedi	2	No
Mrs. Anupam Ahuja	Nil	No
Sh. P. N. Sharma	4	Yes
Mr. Rajendra Kumar Mishra	4	Yes
Mr. A. Raghavendra Rao	3	Yes

ii) Directorships and Committee Membership/Chairmanships in other Public Companies / name of Listed Entities where the person is a Director and category of Directorship



Name of Director	No. of other Directorship and Committee Membership / chairmanship			Name of Listed Entities where the person is Director and the category of Directorship
	Other Directorship in Public Companies	No. of Membership of board Committee in other Companies@	No. of Chairmanship of board Committee in other Companies@	
Shri Ashok Chaturvedi	3	--	--	1) Uflex Limited (Executive Chairman) 2) Flex Foods Limited (Non Executive Director)
Shri Paresh Nath Sharma	5	2	3	1) Singer India Limited (Independent Non-Executive) 2) Flex Foods Limited (Independent Non Executive Director)
Mrs. Anupam Ahuja*	1	1	--	1) Flex Foods Limited (Independent Non Executive Director)
Shri Rajendra Kumar Mishra	1	2	----	2) Flex Foods Limited (Independent Non Executive Director)
Shri A. Raghvendra Rao	1	1	--	2) Flex Foods Limited (Executive Director)

@ In accordance with SEBI (LODR) Regulation, 2015, Membership / Chairmanship of only the Audit Committee and stakeholder Relationship Committee in all public companies whether listed or not have been considered. Further, every Director has informed the company about the Committee position he / she occupies in other companies as on 1st April, 2019

* Mrs. Anupam Ahuja resigned from the board w.e.f. 17.05.2019

(c) **Disclosure of relationships between directors inter-se;**

None of the Directors are related to each other within the meaning of the term 'relative' as per section 2(77) of the Companies Act, 2013.

(d) **Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31st March, 2019, none of the Directors of the Company held shares or convertible instruments of the Company except Mr. Ashok Chaturvedi, Director who held 7610 equity shares.

(e) **Board Procedure**

The Board Meetings of the Company are convened by the Company Secretary on the direction of the Chairman. Sufficient notice in writing is given to all Directors for the Board Meetings and/or other Committee Meetings. All important matters concerning the working of the Company alongwith requisite details are placed before the Board.

(f) **Information supplied to the Board**

The Board has complete access to all information of the Company, *inter-alia*, the information as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 are provided to the Board as a part of the agenda.

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned Departments / Divisions.

(g) **Matrix setting out of skills / expertise / competence of the Board of Director**

The Company being in Cultivation and processing of Mushroom, Herbs, Fruit and Vegetable business, the required skill / expertise / competence of Board of Directors are to solve issue concerning processing of foods products in various area such as cultivation, procurements, sales, quality assurance, operation, marketing, environmental science and logistics apart from finance and administrative.

The Company Board of Directors posses the requisite skill / expertise / competence.

(h) **Compensation or Profit Sharing**

No employee including Key Managerial Personnel or Directors or Promoters of the Company was entered into any



agreement for himself or on behalf of any other person, with any shareholder or any other third party with regards to compensation or profit sharing in connection with dealings in the securities of the Company.

(i) **Compliance reports of all applicable laws to the Company**

The periodical reports submitted by the Internal Auditors and by the concerned executives of the Company with regard to compliance of all laws applicable to the Company including steps taken by the Company to rectify instances of non-compliances, if any, are reviewed by the Audit Committee and the Board.

(j) **Independent Directors**

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience in the deliberations of the Board. This enriches the decision making process at the Board level with different points of view and experiences and prevents conflict of interest.

The appointment of independent Directors is carried out in structure manner. The Nomination and Remuneration Committee identifies potential candidates based on certain laid down criteria and take into consideration the diversity of the Board. The terms and conditions of appointment of Independent Directors are available on the website of the company www.flexfoodsltd.com (weblink <https://www.flexfoodsltd.com/pdf/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Directors.pdf>) The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

The Independent Directors have been appointed for a fixed tenure of three years (except Mrs. Anupam Ahuja. Director who has been appointed for five years) from their respective dates of appointment. Their appointment has been approved/ to be approved by the Members of the Company at the Annual General Meetings.

Separate Meetings of Independent Directors

As stipulated in the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 6th February, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committee which is necessary to effectively and reasonably perform and discharge their duties.

(k) **Familiarization Programme for Independent Directors**

The Independent directors of Flex Foods Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed considering that management expertise and wide range of experience. The Independent Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. Independent Directors are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.flexfoodsltd.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent directors during the year are available on the website of the Company (weblink : <https://www.flexfoodsltd.com/pdf/Familiarization-Program-for-Independent-Directors/Familiarization-Program-for-Independent-Directors-2018-2019.pdf>)

3 Audit Committee

During the year, the Audit Committee comprises of Three Member Directors viz. Mr. P.N. Sharma, Mrs. Anupam Ahuja, and Mr. R.K. Mishra. Mr. P.N. Sharma is the Chairman of the Audit Committee All the members of the Audit Committee are Non-Executive Independent Directors. Majority of members have accounting and financial management expertise.

However due to resignation of Mrs. Anupam Ahuja from the Directorship of the company she has been ceased as member of the Committee w.e.f. 17.05.2019. The Board by passing resolution by circulation on 20.05.2019 has re-constituted the Audit Committee, which now comprises of Mr. P.N. Sharma as the Chairman, Mr. Rajendra Kumar Mishra and Mr. A. Raghavendra Rao as the Members

The terms of reference and role of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity with and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which include the following:

A) **Role of the Audit Committee shall includes following:-**

- (1) Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.



- (2) Recommending for appointment, remuneration and terms of appointment of Auditors of the Company.
 - (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
 - (4) Reviewing, with the Management, the Annual Financial Statement and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report.
 - (5) Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval.
 - (6) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 - (7) Reviewing, and monitoring the auditor's independence and performance, and effectiveness of audit process.
 - (8) Approval of any subsequent modification of transaction of the Company with related party .
 - (9) Scrutiny of inter-corporate loans and investments.
 - (10) Valuation of undertaking or assets of the company, wherever it is necessary.
 - (11) Evaluation of internal financial control and risk management system.
 - (12) Reviewing with the management performance of statutory and internal auditors, adequacy of internal control system.
 - (13) Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - (14) Discussion with Internal Auditors any significant findings and follow up thereon.
 - (15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - (16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - (17) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - (18) To review the functioning of the Whistle Blower Mechanism.
 - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 - (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- B)** In addition to the above, Audit Committee shall mandatory reviews the following information:
- 1) Management discussion and analysis of financial condition and results of operations;
 - 2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - 4) Internal audit reports relating to internal control weaknesses; and
 - 5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
 - 6) Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).



C) Powers of Audit Committee

- (1) To investigate any activity within its terms of reference.
- (2) To seek any information from any employee.
- (3) To obtain outside legal or other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Details of Meetings and Attendance

During the year, the Audit Committee had met four times on , 26th May, 2018, 09th August, 2018, 2nd November, 2018 and 06th February, 2019. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Mr. P.N. Sharma	4	4
Mr. R.K. Mishra	4	4
Mr. Anupam Ahuja	4	Nil

The Head of Finance, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. Further, representatives from various departments of the Company also attend the meetings as and when desired by the members of the Committee to answer and clarify questions raised at the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

4) Nomination and Remuneration Committee.

Terms of Reference

The terms of reference of Committee includes, responsibility of recommend/review the remuneration of Executive Directors and Senior Management Personnel after taking into consideration, inter-alia, various factors such as qualification, experience, expertise of the Director / Senior Managerial Personnel prevailing remuneration in the corporate world and financial positions of the company etc., formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director’s performance, Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal etc. and formulate criteria for determining qualifications, positive attitude and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

Presently the Nomination and Remuneration Committee consists of three members viz Mr. P.N. Sharma, Mr. Ashok Chaturvedi and Mr. R.K. Mishra. All the members of the Nomination and Remuneration Committee are Non-Executive Directors out of which two are Independent. Mr. P.N. Sharma (Chairman of the Nomination and remuneration Committee) was present in the last Annual General Meeting held on 23rd August, 2018. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met on 26th May, 2018,. All the members of the Committee had attended the aforesaid Meeting.

Performance Evaluation for Independent Director

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

5. Remuneration to Directors

Details of Remuneration paid to Whole-time Director and Manager for the year ended 31.03.2019 is given below:

(Rupees in lacs)

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission (paid) (Rs.)	Total (Rs.)	Service Contract
Mr A. Raghavendra Rao	31.80	42.37	--	74.17	3 Years

For any termination of contract, the Company or the Whole-time Director is required to give notice of three months to the other party.

The company does not have any stock option scheme.

None of the Director of the Company except the Whole-time Director has any pecuniary relationship with the Company except to the extent of receipt of sitting fee for meetings of the Board/Committee(s) of Directors attended by them.

Sitting fees is paid to Non-executive directors for attending each meeting of the Board and Committees thereof. The criteria for making payment to Non-Executive Directors is available at the Company’s website www.flexfoodsltd.com (weblink: <https://www.flexfoodsltd.com/pdf/CRITERIA%20FOR%20MAKING%20PAYMENT%20TO%20NON-EXECUTIVE%20DIRECTORS.pdf>)



Details of Sitting Fees paid to the Directors during the financial year are as follows:

(in Rs.)

Name of Directors	Board Meetings	Committee Meetings	Total
Mr. Ashok Chaturvedi	50000	25000	75000
Mrs. Anupam Ahuja	nil	nil	nil
Mr. P.N. Sharma	100000	275000	375000
Mr. R. K. Mishra	100000	275000	375000

6. Stakeholders' Relationship Committee

Presently the Stakeholders' Relationship Committee consists of Mr. P.N. Sharma (Chairman), Mr. R.K. Mishra and Mr. A. Raghavendra Rao. The Committee, *inter-alia*, approves issue of duplicate certificates and oversees & reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/investors' grievances. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company Secretary acts as the Secretary to the Committee.

In order to expedite the process of share transfers, the Board of Directors have nominated a Committee of two officers, who normally attend to the transfer, Non receipt of Annual Report, Dividend and other related matters within a period of 10 days. The Committee of Officers operates subject to overall supervisions and directions of Stakeholders' Relationship Committee.

During the year, the Shareholders'/Investors' Grievance Committee had met 2nd April 2018, 28th August 2018, 17th December 2018, and 6th March 2019. All the members had attended the meetings

The total numbers of complaints received and resolved during the year under review were 13, outstanding complaints as on 31.03.2019 were nil. There was no valid share transfer pending for registration for more than 10 days as on the said date.

Mr. Rajesh Dheer, Company Secretary has been designated as Compliance Officer and act as Secretary to the Committee..

Prohibition of Insider Trading

With a view to regulate Trading in Securities by the Directors and Designated Employees, the Company has adopted a "Code of Conduct for Prohibition of Insider Trading".

7. Corporate Social Responsibility Committee of Board

Presently the CSR committee has three members consisting of Mr. P.N. Sharma (Chairman), Mr. R. K. Mishra and Mr. A. Raghavendra Rao,

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementation of the framework of 'Corporate Social Responsibility Policy'.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

The terms of reference of the committee include formation and recommendation to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken by the Company in compliance with provision of the Companies Act, 2013 and rules made thereunder; recommending the amount of expenditure to be incurred on CSR activities and monitoring the CSR Policy of the Company from time to time as specified in Schedule VII of the Companies Act, 2013. The CSR Policy is available on the website of the company www.flexfoodsltd.com at weblink <https://www.flexfoodsltd.com/pdf/CSRPolicy.pdf>

The meeting of Corporate Social Responsibility Committee was held on March 30, 2019. All the members had attended the meeting.

The Company Secretary acts as the secretary of the of CSR Committee.

8. Subsidiary Companies

The Company does not have any Subsidiary Company.

9. General Body Meetings

(a) The details of Annual General Meetings held in the last 3 years are as under:

AGM	Day, Date & time	Venue	Special Resolution Passed
26 th	Saturday August 20, 2016 at 3:00 P.M.	Registered Office at: Lal Tappar Industrial Area P.O. Rasham Majri Haridwar Road Dehradun, Uttarakhand	Appointment of Directors
27 th	Saturday August 12, 2017 at 3:00 P.M.	Same as above	Nil
28 th	Thursday August 23, 2018 at 3:00 P.M.	Same as above	Appointment of Shri A. Raghavendra Rao Whole-time Director and fix his remuneration Reappointment of Shri P.N. Sharma (DIN 00023625) as an independent Directors Amendment in Article of Association of the Company



(b) Whether Special Resolutions were put through Postal Ballot?

No Special Resolution put through postal ballot. However company will consider as and when it is required.

(c) Procedure of Postal Ballot

For conducting a postal Ballot, notice specifying the resolution proposed to be passed through postal ballot as also the relevant explanatory statement & the postal ballot forms as dispatched to all the shareholders along with self-addressed postage prepaid / business reply envelope. The shareholders are requested to send back the postal ballot form duly filled-up & signed in the postage prepaid / business reply envelopes provided to them by the company so to reach the scrutinizer (in whose name envelopes are made) on or before 30th days from the date of issue of notice by the Company.

The company has entered into e-voting registration agreement with CDSL to provide e-voting facility to the shareholders of the company.

The scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hand over the results to the Chairman or in absence to any director authorized by the Board. The Chairman or any other director there upon declares the result of postal ballot

10. Disclosures

a) Related Party Transactions

None of the transactions with any of related parties were in potential conflict with the Company's interest at large. Suitable disclosure as required by the Indian Accounting Standard (Ind AS-24) has been made in the notes to the Financial Statements.

All related party transactions are on ordinary course of business and negotiated on an arms-length basis, and are intended to further the Company's interests.

The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website. (weblink: <https://www.flexfoodsltd.com/pdf/Related-Party-Policy.pdf>)

b) Whistle Blower / Vigil Mechanism Policy

Fraud-free and corruption-free work culture has been the core of the Company' functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address this risk.

To meet this objective, a Whistle Blower Policy has been laid down. The same policy as approved by the Board was uploaded on the Company's website www.flexfoodsltd.com at weblink <https://www.flexfoodsltd.com/pdf/whistleblowerpolicy.pdf>

The Company hereby affirms that no personnel has been denied access to Audit Committee.

c) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Indian Accounting Standards as notified by the MCA.

d) Disclosures of Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

e) Proceeds from public issue, rights issue, preferential issue, FCCB issue.

During the year, the Company has not raised any funds from public issue, rights issue, preferential issue and FCCB issue.

f) Particulars of Directors to be appointed/re-appointed

Information pertaining to particulars of Directors to be appointed and re-appointed at the forth coming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

g) Management Discussion and Analysis

A Management Discussion and Analysis Report is annexed and forms part of the Annual Report.

h) Penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority

No penalties or strictures have been imposed on the company by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market during the last three years.

i) Code of conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the directors and senior management. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been put on the Company's website (www.flexfoodsltd.com (Weblink <https://www.flexfoodsltd.com/pdf/Code%20of%20Conduct.pdf>). The Code has been circulated to all the members of the Board and Senior Management and its compliance is affirmed by them.



A declaration signed by the Company's Whole-time Director is published in this Report.

j) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2019 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

k) The Company has complied with the conditions of Corporate Governance requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable

l) Company has obtained a Certificate from M/s Mahesh Gupta & Company, Company Secretary in practice, that none of directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Board/Ministry of Corporate Affairs or any such statutory authority. The required certificate is attached to the report on Corporate Governance as **Annexure C-1**.

m) The Board of Directors of the Company has accepted the recommendations of all the Committee made recommendations.

n) total fees for all services paid by the company to Statutory Auditor, M/s MJMJ & Associates LLP, Chartered Accountants are 22.45 Lacs

o) Disclosers in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made elsewhere in Directors Report.

p) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

A section on the Risk Management is covered in detail under Management Discussion and Analysis Report being part of Annual Report.

q) The Company has complied with the conditions of Corporate Governance requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.

r) Outstanding ADRs / GDRs / Warrants

No ADRs/GDRs/ Warrants or any convertible instrument has been issued by the Company. Hence there was no outstanding ADRs. GDRs as on 31.03.2019.

s) The company is in compliance with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

t) Discretionary disclosures

The status of compliance with non-mandatory recommendations of SEBI (Listing Obligation and Disclosure Requirements) Regulation. 2015:-

Reporting of Internal Auditors: The Internal Auditors of the Company make presentation to the Audit Committee on their report.

11. CEO/CFO Certifications

Mr. A. Raghavender Rao, Whole-time Director and Mr. Naval Duseja, DY. General Manager (Finance & Account) CFO have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on 25th May, 2019.

12. Other Requirements

(i) The Board

The Chairman of the Company is the Non-Executive Chairman and no expenses are incurred by the Company for the maintenance of the Chairman's office.

All the Directors including Independent Directors are appointed/ re-appointed by the Board from time to time.

(ii) Shareholders Rights

The quarterly, half-yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website www.flexfoodsltd.com (weblink <https://www.flexfoodsltd.com/b2c-financial-results.php>). The complete Annual Report is sent to each and every shareholder of the Company.

(iii) Audit Qualifications

There are no Qualifications from the Auditors on the Company's financial statements for the year under reference.

(iv) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee



13. Means of Communication

The quarterly un-audited financial results duly approved by the Board of Directors are sent to the Stock Exchange where the Company's shares are listed immediately after the Board Meeting. The same are also published in widely circulated Newspapers such as 'Financial express'(English) and 'Jansatta'(Hindi) newspapers in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the stipulated period and in the format as prescribed by the Stock Exchanges and the Company posts its financial results for all quarters on its own website i.e. www.flexfoodsltd.com at weblink <https://www.flexfoodsltd.com/b2c-financial-results.php> and that of stock exchange i.e. BSE Limited

-BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Any presentation made to Institutional Investors and Analyst are also posted on the Company's website

14. General Shareholders Information

(a) Annual General Meeting to be held

Date : 5th August, 2019

Day : Monday

Time: 11.30A.M.

Venue : Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand

(b) Financial Calendar

- Results for quarter ending 30.06.2019 By mid of August, 2019
- Results for quarter ending 30.09.2019: By mid of November, 2019
- Results for quarter ending 31.12.2019: By mid of February, 2020
- Results for quarter ending 31.03.2020: Last week of May, 2020

(c) Book Closure date

30.07.2019 to 05.08.2019 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2018-2019, if declared will be paid/credited to the account of the shareholders on or after 05.08.2019

(e) Listing of Equity Shares on Stock Exchanges

The equity shares are listed with the BSE Limited, Mumbai

Note : Annual Listing fee have been duly paid to BSE Limited for the Year 2019-2020.

(f) Stock Code - BSE Limited : 523672 (Equity shares)

(g) Demat ISIN Number in NSDL & CDSL : INE 954B01018

(h) Stock Market Price for the year 2018-2019:-

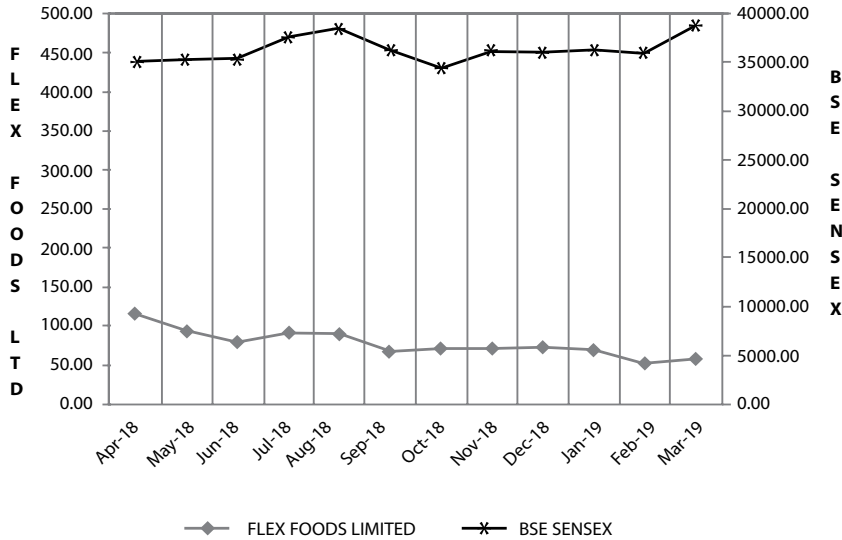
Share prices on BSE Limited are as under:

(Rs. per Share)

Month	High	Low
April, 2018	125.90	105.05
May, 2018	119.90	94.00
June, 2018	96.00	75.00
July, 2018	98.00	74.30
August, 2018	94.90	83.15
September, 2018	91.95	68.00
October, 2018	79.80	64.00
November, 2018	86.90	69.15
December, 2018	77.00	68.05
January, 2019	75.50	65.10
February, 2019	71.05	45.00
March, 2019	64.40	51.05



(i) **Performance in comparison to broad base in indices such as BSE Sensex, Crisil Index etc.**



(j) **Address for correspondence for Shares transfer and related matters:**

For shares held in physical form:

The Company's Registrar & Share Transfer Agent (RTA), address at:

Beetal Financial & Computer Services Pvt. Ltd.
(Unit : Flex Foods Ltd.)
Beetal House
3rd Floor, 99, Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi – 110062
Tel. No. 011-29961281, Fax No. 011 – 29961284

For shares held in Demat form:

To the Depository Participants (DP)

(k) **Credit Rating**

The India Rating and Research (Ind-Ra) has affirmed Company's long term Rating at "Ind BBB." The outlook is Stable

(l) **Share Transfer System**

Till now the shares, which are received in physical form, are transferred within a period of 10 days from the date of receipt, subject to the documents being valid and complete in all respects.

(m) **Distribution of Shareholding as on 31.03.2019**

Range	No. of Shareholders	No. of shares	% of total equity
1 - 500	11991	1489102	11.96
501-1000	546	449908	3.61
1001-2000	292	448259	3.60
2001-3000	91	228272	1.83
3001-4000	43	156356	1.26
4001-5000	38	176280	1.42
5001 -10000	57	420187	3.38
10001 – 20000	29	381347	3.06
Above 20000	15	8700289	69.88
TOTAL	13102	12450000	100.00


(m) Categories of Shareholders as on 31.03.2019

Category Code	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	Shareholding of Promoters & Promoter Group			
1	Indian	9	7429735	59.68
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	7429735	59.68
(B)	Public Shareholding			
1	Institution	1	100	0.00
2	Non-Institution	13092	5020165	40.32
	Total Public Shareholding	13093	5020265	40.32
(C)	Non Promoter-Non Public	--	--	--
(C1)	Share Underlying DRs	--	--	--
(C2)	Shares /held by Employee Trusts	--	--	--
	Total (A+B+C)	13102	12450000	100.00

(n) Dematerialization of Shares and liquidity

Nearly 95.82% of total equity share capital is held in dematerialized form upto 31.03.2019 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

(o) Plant Locations

- (i) Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand. 248140
- (ii) Village Chhiddewala, Haridwar Road, Dehradun, Uttarakhand.

(p) Address for Correspondence

The shareholders may address their communication/grievances/queries/ suggestions to:

Beetal Financial & Computer Services Pvt. Ltd.

(Unit Flex Foods Ltd.)
 BEETAL House
 3rd Floor, 99, Madangir
 Behind Local Shopping Centre
 Near Dada Harsukhdas Mandir
 New Delhi – 110062
 Tel. No.011- 29961281
 E-mail: beetal@beetalfinancial.com
 Fax No.011- 29961284

Flex Foods Limited

305, Third Floor
 Bhanot Corner
 Pamposh Enclave
 Greater Kailash - I
 New Delhi - 110048
 Tel. No.011-26440925
 Fax No.011-26216922
 E-mail : flexsec@vsnl.net

15. Discloser with respect to demat suspense account/unclaimed suspense account

The status of equity shares in the unclaimed suspense account is as follows:

SI No.	Particulars	No. of Shareholders	No. of Equity share held
1	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying in the beginning of the year.	25	2900
2	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	--	--
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	--	--
4	Transferred to Investor Education and Protection Fund (IEPF) in accordance with Investor Education and Protection Fund Authority (accounting, audit, transfer and refund) Rules, 2016	1	100
5	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year.	24	2800

It may please be noted that the voting right on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

16. Compliance Certificate

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith. The above report has been placed before the Board at its meeting held on 25th May, 2019 and the same was approved



INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Flex Foods Limited

1. This certificate is issued in accordance with terms of our engagement, with Flex Foods Limited ("the Company").
2. We have examined the compliance of conditions of Corporate Governance by Flex Foods Limited ("the Company"), for the year ended 31st March 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of the Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time (the "Listing Regulations").

Management's responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditor's responsibility

4. Our Responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit not an expression of opinion on the financial statements of the company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the conditions of Corporate Governance as stipulated in Listing Regulations.
6. We have carried out an examination of the relevant records of the Company in accordance with the "guidance Note on the Certification of Corporate Governance", issued by the Institute of the Chartered Accountants of India ("the ICAI"), the standards on the Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the "Guidance Note on the Reports or Certificates for Special Purposes", issued by the ICAI, which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the standard on quality Control (SOC) I. "Quality Control for Firms that perform audits and reviews of Historical Financial Information and Other Assurance and Related Services engagements", issued by the ICAI.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, during the year ended 31st March, 2019.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013

PLACE:- NOIDA
DATED: -25th MAY, 2019.

MEGHA JAIN
PARTNER
MEMBERSHIP NO. 415389

DECLARATION

To the Members of
FLEX FOODS LIMITED

I A, Raghavendra Rao, Whole-time Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the rules of Code of Conduct for the financial year ended 31st March, 2019 pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **FLEX FOODS LIMITED**

Place : NOIDA
Dated : 25th May, 2019

A, Raghavendra Rao
Whole-time Director



ANNEXURE – C1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

FLEX FOODS LIMITED
(CIN L15133UR1990PLC023970)
Lal Tappar Industrial Area,
P.O. Resham Majri,
Haridwar Road,
Dehradun (Uttarakhand)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Flex Foods Limited having CIN L15133UR1990PLC023970 and having registered office at **Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand)** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Ashok Chaturvedi	00023452	05-02-1990
2	Mr. Paresh Nath Sharma	00023625	26-05-2016
3	Mr. Rajender Kumar Mishra	07905342	16-08-2017
4	Mr. A. Raghavendra Rao	05116052	14-08-2017
5	Mrs. Anupam Ahuja@	03261077	04-08-2015

@ Resigned w.e.f. 17.05.2019 as an Independent Director.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

MAHESH GUPTA AND COMPANY
COMPANY SECRETARIES

MAHESH KUMAR GUPTA
PROPRIETOR
FCS NO. 2870
CP NO. 1999

PLACE : DELHI
DATED : 25th MAY, 2019



ANNEXURE - D
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward Looking Statement

Forward-looking statement reflects the current expectations regarding future results of operations. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

Industry Scenario and Developments

Food processing has an important role to play in linking Indian farmers to consumers in the domestic and international markets.

The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent (<https://www.ibef.org>). India's organic food market is expected to increase by three times by 2020

The Food Processing Industry in India is one of the largest in terms of production, consumption, export and growth prospects (<http://www.indialawoffices.com>). Demand for instant food, packed food, ready-to-eat food has increased significantly. The food sector has emerged as a high-growth and high-profit sector due to a large agriculture sector, abundant livestock, immense potential of value addition and cost competitiveness. India is the second-largest producer of fruits and vegetables.

Currently, food processing accounts for almost one-third of the total food market in India. The food processing industry is valued at US\$258 billion, and is the fifth largest industry domestically in terms of production, consumption, export, and expected growth in the country. It contributes to around 14 percent of manufacturing Gross Domestic Product (GDP) and 13 percent of India's total food exports (<https://www.india-briefing.com>). The Confederation of India Industry (CII) estimates that the food processing sector have the potential to attract as much as US\$ 33 billion of investment over the next 10 years and also to generate employment of nine million people-days.

Government initiatives were rolled-out to increase the capacities in the entire supply chain of food processing. Private consumption combined with ongoing structural reforms are expected to continue to boost economic activity in India. Greater transparent regulatory environment and evolving of food laws are making India emerge as an attractive business destination, creating opportunities for investment and growth especially in the processed foods sector. Consumers in India are fast evolving; they are young, aspirational and have higher disposable income. The young India is more health and fitness conscious. Rise in lifestyle diseases has also prompted the Indian consumers to evaluate their food habits more closely and make lifestyle changes, where required.

The global mushroom industry has expanded very rapidly in the last two decades by the addition of newer types of mushrooms for commercial cultivation. The global Mushroom market accounted for US\$ 38.13 Bn in 2017, expanding at a CAGR of 7.9% from 2018 to 2026 (<https://www.prnewswire.com/news-releases/global-mushroom-market-2018-2026>). Rising consumption of processed food items, rising consumer awareness regarding the health benefits offered by mushrooms, and improvement in packaging technologies are some of the key factors influencing the growth of the mushroom market at present. However, mushroom as a vegetable is yet to find regular place among the Indian consumers. Despite of favourable agro-climate, abundance of agro wastes, relatively low-cost labour and a rich fungal biodiversity, India has witnessed a lukewarm response in its growth.

Business Overview

India's vast agricultural resources alone creates huge potential for investments in its food processing and equipment industry. Major areas holding scope for value added processing are in the canning, packaging, frozen food, Freeze dried food and thermo-processing industries.

The Company nestled in the foothills of the Himalayas near the banks of the Holy Ganges is engaged in the growing and processing of Culinary Herbs , Mushrooms, Fruits and Vegetables catering to the Domestic and International markets mainly in Europe, USA, Canada & Australia.

The Company offers a wide range of Vacuum Freeze Dried, Air-Dried, Frozen and IQF (Individually Quick Frozen) product range of mushrooms, herbs, spices and fruits / vegetables, meeting strict quality & hygiene standards. Canned button mushroom in various shapes and sizes is also available as per the customer requirement. The Company is a single point source of supply of Frozen / IQF (Individually Quick Frozen), Air Dried, Canned as well as Freeze Dried products to the customers as per their requirements. A tempting food item i.e. retail packs of Culinary Herbs for Indian customers are also available in various varieties.

The Company brand stands for Quality, Trust and Commitment. The Company's prime concern is to meet highest quality levels and achieve customer satisfaction by providing natural fruits, herbs, vegetables, mushrooms and other products, fully grown and processed in best natural ways. The Company is always ready to satisfy its customers demand for high value food products.

Product-wise performance

Sale of Finished Goods

Description	Current Year		Previous Year	
	Quantity (in MTS)	Value (Rupees in Lacs)	Quantity (in MTS)	Value (Rupees In Lacs)
Processed Foods	1856	7414.74	1843	7961.85
Others	742	743.96	797	796.64
Total	2598	8168.70	2640	8758.49



Opportunities and Threats

Opportunities

- Large crop and material base offering a vast potential for agro processing activities
- Setting of Agri-export zone (AEZ) and food parks for providing added incentive to develop green field projects
- Rising income levels and changing consumption patterns
- Favourable demographic profile and changing lifestyles
- Integration of development in contemporary technologies such as electronics, material science, bio-technology etc. offer vast scope for rapid improvement and progress
- Opening of global markets

Threats

- Low availability of adequate infrastructural facilities
- Lack of adequate quality control and testing methods as per international standards
- Inefficient supply chain due to a large number of intermediaries
- Higher requirement of working capital.
- Inadequately developed linkages between Research organizations and industry.
- Seasonality of raw material
- High packaging cost

Future Outlooks

Keeping in view the availability of diverse raw material (fruit and vegetable), change in life style, rising income, increased urbanization and positive government support, there exists a good potential for expansion of fruit and vegetable processing industry in the country. Establishment of fruit processing units in rural sector shall help in reducing the post-harvest losses, develop wide variety of value added products, and utilize by-products of food industry to improve the economic lot of growers, processors and nutritional status of Indian population.

Rising consumption of processed food items, rising consumer awareness regarding the health benefits offered by mushrooms, and improvement in packaging technologies are some of the key factors influencing the growth of the mushroom market at present. Global mushroom market value is expected to exceed USD 50 billion in the next seven years due to growing mushroom demand in from the recent past.

The reason for growth of food processing industry in India are

- Increased urbanization in the country has given a boost to the food industry in India.
- Majority of the women in the country are working as a result of which families have extra income which they are spending in buying food.
- The standard of living in the country has improved as a result of which there has been an increased demand for food.
- Supermarkets and malls have opened all over the country and this has helped in making shopping for food a pleasurable experience.
- The consumers can select, inspect and pick up food items that they like in an ambience that is comfortable. This too has helped to boost the sale of food products in the country

Risks & Concerns

Risk is an integral part of business. Risk can be broadly categorized into two broad categories: one Risk Associated at the Transactional Level and the other Risk Associated at the Decision Making Level.

Risk Associated at operational level can arise out of operations, financial dealings and / or compliances of legal system. The Company has appropriate control mechanism and operating effectiveness of Internal Financial Controls & Legal Compliance.

Risk Associated at the Decision Making levels are political, social & economic, technology, capital structure, foreign exchange & interest rate etc. These risk are evaluated in detail before taking any strategic & financial decision.

Internal Control System, their Adequacy and operative effectiveness

The Company has laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, 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.

The Company has created appropriate structures with proper delegations of duties and responsibilities of employees at each level on enterprise basis which ensures the proper adherence and compliance of statutory laws as applicable to the Company.

The Internal Financial Control is subject to review by the Management in respect of their adequacy and operative effectiveness which in turn are also reviewed by the Internal Auditors, Statutory Auditors and Audit Committee. Finally, the Board of Directors of the Company also review and take note of them.

Human Resources/Industrial Relations

The company lays due emphasis on sound Human Resource Management practices and appraisal systems with focus on cordial employer-employee relations to ensure higher level of productivity and operational efficiency. Adequate initiatives have been taken to strengthen and develop its human resources as a key strength through continuous training inputs and focused development plan. As on 31st March 2019, the total number of permanent employee in the Company was 469.

Environment, Occupational Health & Safety

Your Company is committed to conducting its operations with due regard to the environment and providing a safe and healthy workplace for employees. The collective endeavor of your Company's employees at all levels is directed towards sustaining and continuously improving standards of environment, occupational health and safety in a bid to attain and exceed international benchmarks.

ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE

The accompanying financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles and Accounting Standards prevailing in India.

**A. FINANCIAL CONDITIONS**

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2019	March 31, 2018	Growth %
Land	1203.00	1131.91	6.28
Buildings	2284.15	2185.61	4.51
Plant & Equipments	10787.18	10263.95	5.09
Electrical Fittings & Installations	396.86	392.82	1.03
Office Equipments	95.88	91.68	4.58
ERP Software	32.49	32.49	--
Furniture & Fixtures	21.10	20.89	1.01
Vehicles	106.80	127.38	(16.16)
Total	14927.46	14246.74	
Less: Acc. Depreciation	6638.23	6130.72	
Add: CWIP	76.04	19.76	
Net Fixed Assets	8365.27	8135.78	

B. RESULTS OF OPERATIONS

The summary of operating performance for the year under review is given below:

(Rs.in lacs)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Amount	%	Amount	%
INCOME				
Revenue from operations	8536.63	98.11	9122.57	97.38
Other income	164.41	1.89	245.59	2.62
Total Revenue	8701.04	<u>100.00</u>	9368.16	<u>100.00</u>
EXPENDITURE				
Raw Material Consumed	1291.45	14.84	1570.81	16.77
Purchase of Stock in Trade	22.91	0.26	52.62	0.56
(Increase)/Decrease in stock	(200.55)	(2.30)	77.23	0.82
Change in Inventory of Biological Assets	(7.39)	(0.08)	(1.99)	(0.02)
Gain in change in fair value of Biological Assets	(1.74)	(0.02)	(1.50)	(0.02)
Manufacturing expenses	2256.89	25.94	2361.45	25.10
Payment & benefits to employees	1769.97	20.34	1723.31	18.40
Administrative, selling and other expenses	1614.82	18.56	1663.61	17.76
Operating expenses	6746.36	77.54	7435.54	79.37
EBDIT	1954.68	22.46	1932.62	20.63

C. SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	FY 2018-19	FY2017-18	Change	Reason for change
Debt Equity Ratio	0.30	0.40	-24.50%	Due to decreased in borrowed funds as term loan and unsecured loans were repaid during FY 2018-19
Net Profit Margin	12.7%	7.30%	74.5%	Due to Foreign Exchange fluctuation and exemption of tax on agriculture income
Return on Networth	12.8%	8.5%	49.6%	Due to increase in net margin in FY 2018-19 as explained in Net profit Margin ratio



ANNEXURE - E
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L15133UR1990PLC023970
- ii) Registration Date : 5th February, 1990
- iii) Name of the Company : Flex Foods Limited
- iv) Category / Sub-Category of the Company : Company Limited By Shares / Indian Non-Government Company
- v) Address of the Registered office and contact details : Lal Tappar Industrial Area, PO - Resham Majri Haridwar Road, Dehradun, UTTARAKHAND
Tel : 0135-2499262, 0135-2499234
- vi) Whether listed company Yes / No : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Beetal Financial & Computer Services Pvt Ltd (UNIT : FLEX FOODS LIMITED)
Beetal House, 3rd Floor,
99, Madangir, Behind Local Shopping Centre
Near Dada Harsukh Dass Mandir
New Delhi – 110 062
Tel : 011-29961281-283

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Processed Foods	10799	91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Nil

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

j) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individuals / Hindu Undivided Family	52620	--	52620	0.42	52620	--	52620	0.42	--
b) Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	7377115	--	7377115	59.26	7377115	--	7377115	59.26	--
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(1)	7429735	--	7429735	59.68	7429735	--	7429735	59.68	--
(2) Foreign									



Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	7429735	--	7429735	59.68	7429735	--	7429735	59.68	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	100	0-	100-	0	100	0	100	0	0
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (B)(1)	100	0	100	0	100	0	100	0	0
2. Non-Institutions									
a) Bodies Corporate									
i. Indian	564980	1100	566080	4.55	534923	900	535823	4.30	-0.25
ii. Overseas									
b) Individuals-									
i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	2566211	595951	3162162	25.40	2639549	519351	3158900	25.37	-0.03
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	1120757	12500	1133257	9.10	1156647	--	1156647	9.29	0.19
c) Any Other (specify)									
- NRIs	149786	--	149786	1.20	161165	--	161165	1.29	0.09
- Clearing Members (in Transit Position)	8880	--	8880	0.07	7630	--	7630	0.06	-0.01
Sub - Total (B)(2)	4410614	609551	5020165	40.32	4499914	520251	5020165	40.32	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	4410714	609551	5020265	40.32	4500014	520251	5020265	40.32	0.00
C. Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A)+(B)+(C)	11840449	609551	12450000	100	11929749	520251	12450000	100	0.00


(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	UFLEX Limited	5870000	47.15	--	5870000	47.15	--	--
2	Anshika Investments Pvt. Ltd.	1252630	10.06	--	1252630	10.06	--	--
3	Anshika Consultants Pvt Ltd	150000	1.20	--	150000	1.20	--	--
4	Rashmi Chaturvedi	45010	0.36	--	45010	0.36	--	--
5	Flex International Pvt. Limited	11300	0.09	--	11300	0.09	--	--
6	A R Leasing Pvt Ltd.	4000	0.03	--	4000	0.03	--	--
7	Ashok Kumar Chaturvedi	7610	0.06	--	7610	0.06	--	--
8	A.L. Consultants Private Limited	78685	0.63	--	78685	0.63	--	--
9	Magic Consultants Private Limited	10500	0.08	--	10500	0.08	--	--
	Total	7429735	59.68		7429735	59.68		

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	7429735	59.68	7429735	59.68
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year			7429735	59.68

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	253985	2.84	396415	3.18
2	SANTOSH SITARAM GOENKA	237090	1.90	250327	2.01
3	SUBRAMANIAN P	225240	1.81	225240	1.81
4	SUNITA SANTOSH GOENKA	143030	1.15	159712	1.28
5	SUPRIYA PUNIT AGARWAL	103868	0.83	119320	0.96
6	RAVINDRA SHANKAR WAGH	36000	0.29	36000	0.29
7	AVINASH BAHETI	35000	0.28	35000	0.28
8	PRABINABEN VORA	32097	0.26	30356	0.24
9	BHARAT J. PATEL	28450	0.23	28450	0.23
10	BHARAT BHUSHAN THAPER	--	--	23146	0.19
11	ANIKET AVDHUT AGSHIKAR	18200	0.15	20000	0.16



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mr. Ashok Chaturvedi					
1	At the beginning of the year	7610	0.06	7610	0.06
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	7610	0.06	7610	0.06
Mr. P.N. Sharma					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. R.K. Mishra					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mrs. Anupam Ahuja					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. A. Raghavendra Rao					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Naval Duseja					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Rajesh Dheer					
1	At the beginning of the year	1	0	1	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	1	0	1	0


V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	2337.97	800	--	3137.97
Interest due but not paid	--	--	--	--
Interest accrued but not due	11.01	11.52	--	22.53
Total (I + ii + iii)	2348.98	811.52	--	3160.50
Change in Indebtedness during the financial year				
Addition	8138.94		--	8138.94
Reduction	8351.49	261.52	--	8613.01
Net Change	-212.55	-261.52	--	-474.07
Indebtedness at the end of the financial year				
Principal Amount	2136.43	550	--	2686.43
Interest due but not paid	--		--	--
Interest accrued but not due	5.82		--	5.82
Total (i + ii + iii)	2142.25	550	--	2692.25

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director and/or Whole-time Director :

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Mr. A. Raghvendra Rao Whole-time Director	Total Amount
1.	Gross salary		
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74.00	74.00
	Value of perquisites u/s 17(2) Income-tax Act, 1961		
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others		
	-Ex-Gratia	0.17	0.17
	Total (A)	74.17	74.17
	Ceiling as per the Act	164.00	164.00

B. Remuneration to other directors:
1. Independent Directors

Amount (Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs. Anupum Ahuja	Mr. P.N. Sharma	Mr. R.K. Mishra	
1.	Fee for attending board / committee meetings	0.00	3.75	3.75	7.50
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total B(1)	0.00	3.75	3.75	7.50



2. Other Non-Executive Director

Amount (Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Mr. Ashok Chaturvedi	
1.	Fee for attending board / committee meetings	0.75	0.75
	Commission	--	--
	Others, please specify	--	--
	Total B(1)	0.75	0.75

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Naal Duseja [CFO]	Mr. Rajesh Dheer Company Secretary	Total
1.	Gross salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.33	15.98	43.38
	Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
5.	Others -Ex-Gratia	0.17	0.17	0.34
	Total	27.50	16.15	43.65

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

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



ANNEXURE - F

STATEMENT OF DISCLOSURE OF REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Director	Ratio to Median Remuneration
Mr. Ashok Chaturvedi	0.39
Mr. Anupam Ahuja	-
Mr. R.K. Mishra	1.97
Mr. P.N. Sharma	1.97
Executive Director	
Mr. A. Raghvendra Rao	39.08

- (b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in Remuneration
Non-Executive Director	
Mr. Ashok Chaturvedi	-25%
Mr. Anupam Ahuja	-100%
Mr. R.K. Mishra	87.50%
Mr. P.N. Sharma	25%
Executive Director	
Mr. A. Raghvendra Rao (Whole Time Director)	20.39%
Key Managerial Personnel (KMP)	
Mr. Naval Kishore Duseja (CFO)	11.37%
Mr. Rajesh Dheer (Company Secretary)	2.49%

- (c) **The percentage increase in the median remuneration of employees in the financial year:** 13.00%
- (d) **The number of permanent employees on the rolls of company** as on 31.03.2019 employees are 469 however the data taken for calculation of median remuneration of the employee is 471.
- (e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Average increase in salary of employees in 2018-19 was 9.90%. Percentage increase in the managerial remuneration for the year was 46.38%. The increase in % of management remuneration is due to the fact that salary considered to the Whole-time Director (Mr. A. Raghvendra Rao) during 2017-18 was for part of the year.

- (f) **Affirmation that the remuneration is as per the remuneration policy of the company.**

The company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance base variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.



ANNEXURE 'G' TO DIRECTORS REPORT

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings & Outgo pursuant to Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, forming part of Directors Report.

A) Energy Conservation Measures Taken

Keeping in mind social accountability, efforts were undertaken to reduce energy consumption & emission of pollutants. Steam generation & consumption, electricity & water consumption patterns were studied & optimized for various processes.

Knowledge of energy consumption for each product & process, measuring & analyzing data on steam generation, distribution & consumption, measuring & analyzing data on electricity / water distribution & consumption, process analysis & improvement, proper selection of motors, identifying & eliminating distribution system losses, condition monitoring, frequent inspection & cleaning programmes, VFD installation & maintaining unity power factor have resulted in significant cost savings & increased level of awareness amongst the employees.

Company has been again certified at grade AA, for Global Standard for Food safety (formerly BRC).

Company has been again certified Halal certification for supplying its products, permissible & lawful as per traditional Islamic laws.

Maintaining SEDEX 4 pillar compliance from 2 pillar resulting in increased level of awareness amongst employees for occupational health and safety environmental and social accountability.

TECHNOLOGY ABSORPTION

Research & Development (R&D)

i) Specific areas in which R&D carried out by the Company

The company prioritized and carried out R&D work in process and product development of Freeze-dried Chives, Mango, Rosemary, Ginger, Cucumber, musk melon, pumpkin, potato and Air-Dried Pumpkin, Beet Root,

ii) Benefits derived as a result of above R&D

Freeze-dried Chives, Mango, Rosemary, Ginger, Cucumber, musk melon, pumpkin, potato and Air-Dried Pumpkin, Beet Root, has been taken into budget for the F.Y 2019-20.

iii) Future Plan of Action

- a) Steps are continuously being taken for innovation and renovation of products including new product development Freeze-dried Chives, Mango, Rosemary, Ginger, Cucumber, musk melon, pumpkin, potato and Air-Dried Pumpkin, Beet Root.
- b) New Air Handling Unit (AHU) (1 no as a trial) has been commissioned successfully and is obtaining better yield of fresh mushroom at mushroom farm in a growing room.
- c) Training programme has been initiated for farmers for growing of herbs for Good Agricultural Practices (GAP) to grow herbs as per US and EU norms.
- d) Backward integration for growing of herbs with increased area of cultivation for sustained and quality supply of fresh herbs.

B. FOREIGN EXCHANGE EARNING AND OUTGO

- a. Activities related to Exports: Initiatives were taken to increase exports, development of new export markets for products and services. The company is at present exporting its products to North America and Europe. The company is continuously exploring possibilities of exporting new and enhanced quantities of existing product mix to existing and new prospective markets.
- b. During the year company has exported manufactured goods calculated on FOB basis amounting Rs.6024.16 lacs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to 437.99 lacs

For and on behalf of the Board

Place : NOIDA
Dated : 25.05.2019

Ashok Chaturvedi
Chairman
(DIN 00023452)



ANNEXURE - H
SECRETARIAL COMPLIANCE REPORT OF FLEX FOODS LIMITED FOR THE YEAR
ENDED 31ST MARCH, 2019

I, **Mahesh Kumar Gupta**, have examined:

- a) all the documents and records made available to me and explanation provided by **Flex Foods Limited** ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this clarification, for the year ended **31st March, 2019** ("Review Period") in respect of compliance with the provisions of:
 - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulations) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as the Company did not issue any securities during the year under review**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back any of its securities during the year under review**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable as the Company has not granted any Options to its employees during the year under review**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as the Company has not issued any debt securities during the year under review**
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **Not applicable as the Company has not issued any Non-Convertible and Redeemable Preference Shares during the year under review**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

And circulars/ guidelines issued thereunder;

And based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ Circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder is so far as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
NIL				

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended....	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
This being the first report, hence the Clause is not applicable.				

Place: Delhi
 Date: 25 May, 2019

For Mahesh Gupta & Company
 Company Secretaries

Mahesh Kumar Gupta
 FCS No.: 2870
 C.P. No.: 1999



INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF
FLEX FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **FLEX FOODS LIMITED** (“The Company”), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2019, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 (ICAI) together with the independence 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 ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Auditor response
1.	<p><i>Evaluation of uncertain tax positions</i></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 32 to the Financial Statements</p>	<p><i>Principal Audit Procedures</i></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.</p> <p>We also considered legal precedence and other rulings in evaluating management’s position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management’s position on these uncertainties.</p>
2.	<p><i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)</i></p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><i>Principal Audit Procedures</i></p> <p>We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company.



		<ul style="list-style-type: none"> • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. Considering any trade discount/ volume discount given to the customer as adjustment to sales consideration and verifying the control process adopted by the company in recognizing the same in financial statement.
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Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

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 is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant Books of Account.
- d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) There is no matter or transaction in our opinion, that may have any adverse effect on the functioning of the Company;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- h) With respect to the other matters to be included in the auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its director during the year is in accordance with the provisions of section 197 of the Act; and

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013**

**PLACE:- NOIDA
DATED: -25th MAY, 2019.**

**MEGHA JAIN
PARTNER
MEMBERSHIP NO. 415389**



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31ST MARCH 2019

Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Flex Foods Limited of even date.

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

Report on the Internal Financial Controls

We have audited the Internal Financial Controls over financial reporting of “**FLEX FOODS LIMITED**” (“the Company”) as of 31st 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013**

**PLACE:- NOIDA
DATED: -25th MAY, 2019.**

**MEGHA JAIN
PARTNER
MEMBERSHIP NO. 415389**

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF "FLEX FOODS LIMITED" ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of "FLEX FOODS LIMITED" ("the Company") for the year Ended on **31st March 2019**, we report that:

i. In respect of Fixed Assets of the Company:

- a) According to information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to information and explanation given to us, the fixed assets of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification as compared to books of accounts.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. In respect of Inventories of the Company:

According to the information and explanation given to us, Physical verification of inventory has been conducted at reasonable intervals by the Management of the Company, and no material discrepancies were noticed on physical verification conducted by the management.

- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore, the provision of clause (iii) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- iv. The Company has not given any loans, guarantees and security to any Director or to any other person in whom Director is interested in compliance with the section 185 & 186 of the Act.
- v. The company has not accepted any deposits. Therefore, the provision of clause (v) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- vi. The Provisions of maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the products dealt / manufactured by the company are not applicable to the company. Therefore, the provisions of clause (vi) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Customs duty, Cess and any other material statutory dues as applicable with the appropriate authorities.
And according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employees' state insurance, income tax, duty of customs, Cess, Goods and Service Tax and other applicable statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no pending dues in respect of Sales Tax, Service tax, Value added tax, Goods and Service Tax and Cess which has not been deposited on account of any dispute. Details of dues of Customs and central excise which have not been deposited as at March 31, 2019 on account of dispute are given below:
Disputed Customs and Central Excise Dues: Aggregate Duty of Rs 749.84 Lakhs, pending before (a) CESTAT Delhi (Rs. 728.84 Lakhs), and (b) Asst. commissioner, CGST division, Rishikesh (Rs 21 Lakhs).
- viii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to the bank as on the Balance Sheet date.
- ix. According to the information and explanations given to us and the records of the Company examined by us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), or term loans.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year under audit, nor we have been informed of any such case by the Management.
- xi. According to the information and explanations given to us and the records of the Company examined by us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- 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 wherever 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 given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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. Therefore, the provisions of clause (xv) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013**

**PLACE:- NOIDA
DATED: -25th MAY, 2019.**

**MEGHA JAIN
PARTNER
MEMBERSHIP NO. 415389**


BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
I ASSETS			
1 Non-Current Assets			
a) Property, Plant and Equipment	2(A)	8,288.75	8,115.05
b) Capital work-in-progress		76.04	19.76
c) Intangible assets	2(B)	0.48	0.97
d) Financial assets			
Loans & Security Deposits	3(A)	146.62	143.90
e) Other Non-Current Assets	5(A)	297.81	83.67
Total Non-Current Assets		8,809.70	8,363.35
2 Current Assets			
a) Inventories	6	2,063.58	1,810.19
b) Biological Asset	7	53.30	45.91
c) Financial assets			
i) Trade Receivables	8	1,678.61	2,047.82
ii) Cash and Cash Equivalents	9	360.02	201.68
iii) Bank Balances other than (ii) above	10	109.20	111.60
iv) Loans & Security Deposits	3(B)	65.58	71.67
v) Other financial assets	4	14.14	14.02
d) Other Current Assets	5(B)	925.89	1,235.56
Total Current Assets		5,270.32	5,538.45
TOTAL ASSETS		14,080.02	13,901.80
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11(A)	1,245.00	1,245.00
b) Other equity	11(B)	7,720.60	6,650.30
Total Equity		8,965.60	7,895.30
Liabilities			
1 Non-current liabilities			
a) Deferred Government Grants	12	194.62	211.05
b) Financial liabilities			
Borrowings	13(A)	831.31	1,411.10
c) Provisions	14(A)	114.38	98.88
d) Deferred Tax Liabilities(Net)	15	692.81	823.59
Total Non-current liabilities		1,833.12	2,544.62
2 Current Liabilities			
a) Financial liabilities			
i) Borrowings	13(B)	1,525.12	1,321.89
ii) Trade Payables:	16		
Total Outstanding dues of micro enterprises and small enterprises		59.16	62.48
Total Outstanding dues of creditors other than micro enterprises and small enterprises		575.98	765.21
iii) Other financial Liabilities	17	497.54	621.09
b) Other current liabilities	19	243.60	251.81
c) Provisions	14(B)	378.99	322.40
d) Current tax liabilities(Net)	18	0.91	117.00
Total Current liabilities		3,281.30	3,461.88
TOTAL EQUITY AND LIABILITIES		14,080.02	13,901.80

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-39

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date attached

 Ashok Chaturvedi
 Chairman
 DIN -00023452

 A.R. Rao
 Whole-Time Director & C.E.O.
 DIN -05116052

 For MJMJ & Associates LLP
 Chartered Accountants
 Firm Registration No 027706N/C400013

 M.M. Varshney
 Sr. Vice president
 Place : Noida
 Dated : 25th May, 2019

 Rajesh Dheer
 Company Secretary

 Naval Duseja
 Chief Financial Officer

 Megha Jain
 Partner
 Membership No. 415389



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
Income			
I Revenue from Operations	20	8,536.63	9,122.57
II Other Income	21	164.41	245.59
III Total Income		8,701.04	9,368.16
IV Expenses			
Cost of Materials Consumed	22	1,291.45	1,570.81
Purchases of Stock in Trade		22.91	52.62
Changes in inventories of Finished Goods & Work-In-Progress	23(A)	(200.55)	77.23
Changes in inventory of Biological Asset	23(B)	(7.39)	(1.99)
Gain from Change in Fair Value of Biological Assets	7	(1.74)	(1.50)
Employee benefits expenses	24	1,769.97	1,723.31
Finance Cost	25	330.92	363.42
Depreciation and Amortization Expenses	2(A) & (B)	524.67	500.16
Manufacturing Expenses	26	2,256.89	2,351.45
Administration and Selling Expenses	27	1,614.82	1,663.61
Total Expenses		7,601.95	8,299.12
V Profit before tax (III-IV)		1,099.09	1,069.04
VI Tax expense:			
(1) Current tax		127.53	324.28
(2) Deferred Tax Liability		(130.78)	39.78
Less/(Add): Short/(Excess) Provision of Income Tax for earlier year		(0.97)	24.20
Total Tax Expenses (VI)		(4.22)	388.26
VII Profit for the Period (V-VI)		1,103.31	680.78
VIII Other Comprehensive Income			
<i>Item that will not be reclassified to Profit or Loss</i>			
Remeasurement of the net Defined benefit liability/ Assets		(33.01)	(22.16)
Total Comprehensive Income for the period (VII+VIII)		1,070.30	658.62
IX Earnings per equity share:			
(1) Basic	28	8.86	5.47
(2) Diluted	28	8.86	5.47
X NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-39			

For and on behalf of the Board of Directors

This is the Statement of Profit & Loss referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN -00023452A.R. Rao
Whole-Time Director & C.E.O.
DIN -05116052For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013M.M. Varshney
Sr. Vice president
Place : Noida
Dated : 25th May, 2019Rajesh Dheer
Company SecretaryNaval Duseja
Chief Financial OfficerMegha Jain
Partner
Membership No. 415389


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2019

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		1,099.09	1,069.04
Adjustments for :			
Depreciation and Amortization		524.67	500.16
Deferred Income on Capital Subsidy		(16.43)	(17.34)
Exchange Rate Fluctuations (Net)		(143.39)	(217.63)
Interest expenses		330.92	363.42
Provision for doubtful debts		3.97	-
Sundry Debit Balances Written Off		27.24	65.26
Sundry Credit Balances Written Back		(0.15)	(2.63)
Loss/(Profit) on Sale of Fixed Assets (Net)		3.88	0.86
Interest Income		(16.79)	(23.07)
Operating Profit before Working Capital Changes		<u>1,813.01</u>	<u>1,738.07</u>
Adjustments for :			
(Increase)/Decrease in Inventories		(253.39)	212.41
(Increase)/Decrease in Inventories of Biological Asset		(7.39)	(1.99)
(Increase)/Decrease in Trade Receivables, Current Financial Assets & Other Current Assets		653.79	(30.66)
(Increase)/Decrease in Non Current Financial Assets & Other Non Current Assets		(216.86)	(27.45)
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities & Current Provisions		(347.66)	(25.27)
Increase in Non Current Provisions(Net)		15.50	19.53
		<u>1,657.00</u>	<u>1,884.64</u>
Cash Generated From Operating activities			
Income Tax paid		(126.56)	(348.48)
Exchange Rate Fluctuations (Net)		143.39	217.63
Net Cash Generated From Operating Activities		<u>1,673.83</u>	<u>1,753.79</u>
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment & Capital Work-In -Progress		(774.63)	(1,077.94)
Proceeds from Sale of Property ,Plant and Equipment		16.59	3.93
Interest Received		16.79	23.07
Net cash used in Investing Activities		<u>(741.25)</u>	<u>(1,050.94)</u>
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds /(Repayment) of non Current Borrowing (Net)		(579.79)	380.24
Proceeds from Current Borrowing (Net)		128.25	(886.32)
Dividend Paid, including Dividend Tax		-	(374.61)
Interest & Finance charges		(325.10)	(352.41)
Net cash used in Financing Activities		<u>(776.64)</u>	<u>(1,233.10)</u>
Net increase/(decrease) in Cash & Cash Equivalents	(I+II+III)	155.94	(530.25)
Cash & Cash Equivalents at beginning of the year	9 &10	313.28	843.53
Cash & Cash Equivalents at end of the year #	9 &10	<u>469.22</u>	<u>313.28</u>

Note:

Includes Rs.109.20 lacs (Previous Year Rs.111.60 lacs) in respect of amount lying in unclaimed dividend account, margin money for bank guarantee.

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-39

For and on behalf of the Board of Directors

This is the Statement of Cash Flows referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN -00023452

A.R. Rao
Whole-Time Director & C.E.O.
DIN -05116052

For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013

M.M. Varshney
Sr. Vice president
Place : Noida
Dated : 25th May, 2019

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	Equity Share Capital	Other equity			Total Equity & Other Equity	
		Reserve & surplus		Other Comprehensive Income		
		Retained Earnings	General Reserve			
Balance as at April 1,2017	1,245.00	5,372.65	1,007.84	(14.20)	6,366.29	7,611.29
Changes in equity during the year						
Transfer to general reserve	-	-	-	-	-	-
Dividend Paid	-	(311.25)	-	-	(311.25)	(311.25)
Dividend Tax Paid	-	(63.36)	-	-	(63.36)	(63.36)
Remeasurement of the net defined benefit liability/assets, (net of tax)	-	-	-	(22.16)	(22.16)	(22.16)
Profit for the Period	-	680.78	-	-	680.78	680.78
Balance as at March 31,2018	1,245.00	5,678.82	1,007.84	(36.36)	6,650.30	7,895.30

Balance as at April 1,2018	1,245.00	5,678.82	1,007.84	(36.36)	6,650.30	7,895.30
Changes in equity during the year						
Transfer to general reserve	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Dividend Tax Paid	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/assets, (net of tax)	-	-	-	(33.01)	(33.01)	(33.01)
Profit for the Period	-	1,103.31	-	-	1,103.31	1,103.31
Balance as at March 31,2019	1,245.00	6,782.13	1,007.84	(69.37)	7,720.60	8,965.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-39

For and on behalf of the Board of Directors

This is the Statement of changes in Equity referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN -00023452

A.R. Rao
Whole-Time Director & C.E.O.
DIN -05116052

For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013

M.M. Varshney
Sr. Vice president
Place : Noida
Dated : 25th May, 2019

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1 COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

I COMPANY OVERVIEW

Flex Foods Ltd. is a public limited company and incorporated on 5th February, 1990 with the Registrar of Companies, having Corporate Identification Number (CIN) L15133UR1990PLC023970. The Registered office of Company is situated at Lal Tappar Industrial Area, P. O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand).

Flex Foods Ltd. is engaged mainly in the business of cultivation and processing of Mushrooms, Herbs, Fruits & Vegetables in Freeze Dried, Air Dried and Individually Quick Frozen form. Flex Foods Ltd. has been selling its products mainly to the European and US markets.

II SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Accounting Standards) Rules 2015 as amended from time to time by the Ministry of Corporate Affairs and Companies (Accounting Standards) Rules 2016, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the company are prepared under the historical cost convention on the accrual basis except for the following assets and liabilities which have been measured at their fair value.

- Certain financial assets and liabilities measured at fair value (refer relevant accounting policies for more details)
- Biological Assets which are valued at fair value less cost to sale at each reporting period.

The financial statements are presented in Indian Rupees (INR). Amount has been rounded off to nearest thousands.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on a going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future period.

C. CLASSIFICATION OF EXPENDITURE/INCOME

Except otherwise indicated:

- (i) All expenditure and income are accounted for under the natural heads of account.
- (ii) All expenditure and income are accounted for on accrual basis except when ultimate realisation of income is uncertain.

D. REVENUES

- (i) Revenues from sales of goods are recognized when the significant risk and rewards of the ownership of the goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon shipment.
- (ii) Sales returns / rate differences are adjusted from the sales of the year in which the returns take place / rate differences accepted.
- (iii) Sales are adjusted for rebate & discount allowed.
- (iv) Interest income is recognized on time apportionment basis. Effective interest method is used to compute the interest income on long terms loans and advances.
- (v) Further, revenues are recognized at gross value of consideration received excluding Goods and Service Tax (GST).



E. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:

Property, plant and equipment are initially recognized at cost after deducting refundable purchase taxes and including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognised in the statement of Statement of Profit and Loss.

F. INTANGIBLE ASSETS

- (i) Customised or separately purchased software is classified as intangible assets at their cost and amortised over a period of five years from date of put to use.
- (ii) All revenue expenditure on research & development activities are accounted for under their natural heads of revenue expenses accounts.
- (iii) Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal.
- (iv) The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

G. INVESTMENT PROPERTIES

- (i) Investment properties are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition the investment property are carried at cost less accumulated depreciation and impairment losses.
- (ii) Transfer to and from the investment properties are made when and only when, there is change in the use of the investment property as evidenced by the conditions laid down under the Indian Accounting Standard. The carrying amount of the property as on the date of classification is considered as carrying value of the investment property and *vice-versa*.
- (iii) Depreciation on investment properties are provided for from the date of put to use for on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.
- (iv) The carrying amount of the investment properties are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognised in the Statement of Profit & Loss.
- (v) The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

H. INVENTORIES

- (i) Finished Goods are valued at lower of cost, based on First in First Out (FIFO) method, arrived at after including depreciation on Plant & Machinery, Electrical Installation and Factory Building, Repair & Maintenance on Factory Building, specific Manufacturing expenses including Goods and Service Tax(GST) and specific Payments and Benefits to Employees or net realizable.
- (ii) Work-in-progress is valued at lower of cost based on First in First Out (FIFO) method, arrived at after including depreciation on Plant & Machinery, Electrical Installation and Factory Building, Repair & Maintenance on Factory Building , specific Manufacturing expenses and specific Payments and Benefits to Employees or net realizable value.
- (iii) Raw Materials & other materials including packing materials, imported spares, stores, fuel and consumables are valued at lower of cost, based on first-in-first-out (FIFO) method arrived at after including freight inward and other expenditure directly attributable to acquisition or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

I. BIOLOGICAL ASSETS

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms



of Ind AS 41. The gain or loss arising on initial recognition of such biological assets at fair value less costs to sell and from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

J. AGRICULTURAL PRODUCE

Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell shall be included in Statement of Profit and Loss for the period in which it arises.

K. FINANCIAL INSTRUMENTS

Initial Recognition:

- (i) The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables/payables and where cost of generation of fair value exceeds benefits, which are initially measured at transaction price. Transaction costs directly related to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities through profit & loss account) are added to or deducted from the cost of financial assets or financial liabilities. Transaction cost directly attributed to the acquisition of financial assets or financial liabilities at fair value through profit & loss account are recognized immediately in the statement of profit & loss.

Subsequent Recognition:

Non-derivative financial instruments

- (i) **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

L. TRADE RECEIVABLES

Trade receivables represents amount billed to customers as credit sales and are net off;

- a) any amount billed but for which revenues are reversed under the different accounting standard and
- b) impairment for trade receivables, which is estimated for amounts not expected to be collected in full.

M. LOANS AND ADVANCES

Loans and advances are non derivative financial assets with fixed and determinable payments. This category includes the loans, cash and bank balances, other financial assets and other current assets.

Subsequent to initial measurement, loans and receivables are carried at amortized cost based on effective interest rate method less appropriate allowance for doubtful receivables.

Loans and advances are further classified as current and non-current depending on whether they will be realized within 12 months after the balance sheet date or beyond.

N. FINANCIAL LIABILITIES

- (i) Financial Liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction cost.
- (ii) Subsequent to initial measurement, financial liabilities are measured at amortised cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.
- (iii) Financial Liabilities are further classified as current and non-current depending whether they are payable within 12 months after the balance sheet date or beyond.
- (iv) Financial Liabilities are derecognized when the company is discharged from its obligation, they expire, are cancelled or replaced by a new liability with substantial modified terms.

O. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period, the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

P. INCOME TAXES

(i) CURRENT TAX

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date.

Current tax assets and liabilities are offset where the company has legal enforceable right to offset and intends either to settle on net basis, or to realise the assets and settle the liability simultaneously.

(ii) DEFERRED TAX ASSETS / LIABILITIES

Deferred tax is recognised for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(iii) CURRENT AND DEFERRED TAX FOR THE YEAR

Current and Deferred Tax are recognised in the Statement of Profit & Loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

Q. EMPLOYEES BENEFITS

The Company provides for the various benefits plans to the employees. These are categorized into defined benefits plans and defined contributions plans. Defined benefit plans includes the amount paid by the company towards the liability for Provident fund to the employees provident fund organization and Employee State Insurance fund in respect of ESI and defined benefits plans includes the retirement benefit such as gratuity and company absentees both accumulated and non-accumulated.

- (i) In respect of Defined Contribution Plans contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.
- (ii) Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Gains and losses through re-measurements of the net defined benefit liability/assets are recognized in other comprehensive income. Past Service cost is recognized in the Statement of Profit & Loss in the period of plan amendment.
- (iii) Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each Balance Sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to Statement of Profit & Loss.
- (iv) Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

R. IMPAIRMENT

Financial assets

The company recognizes loss allowances using the expected credit loss model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. For all financial assets expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit or loss for the period.

Intangible assets, property, plant and equipment

Intangible assets, property plant & equipment are evaluated for recoverability wherever events or changes in



circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit & Loss if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

S. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risk specific to liability.
- (ii) Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company. Contingent assets are not recognised in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

T. FOREIGN CURRENCY TRANSACTIONS

- (i) The Company's functional currency is Indian Rupees. Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department, ruling on the date of transaction.
- (ii) Foreign Currency monetary assets and liabilities remaining unsettled as at the balance sheet date are translated using the exchange rates as at the Balance Sheet date. Non-monetary assets and liabilities which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary assets and liabilities which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the fair values were determined.
- (iii) Exchange differences arises on settlement/translation of Foreign Currency monetary assets and liabilities are recognised as income/expense through the Exchange Fluctuation Account in the year they arise.
- (iv) Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.
- (v) Exchanges difference arises on settlement / translation of foreign currency monetary assets and liabilities relating to acquisition of Property, Plant and Equipment till the period they are put to use for commercial production, are capitalized to the cost of assets acquired and provided for over the useful life of the Property, Plant and Equipment .

U. DEPRECIATION

- (i) Normal depreciation on all property, plant & equipment except Land & Intangible Assets are provided from the date of put to use for commercial production on Straight Line Method at the useful lives prescribed in Schedule-II to The Companies Act, 2013 and after providing for the residual value (maximum to the extent of 5%) of the Fixed Assets as determined by the Management.
- (ii) Depreciation/Amortization on addition/deletions to Fixed Assets is provided on *pro-rata* basis from/to the date of addition/deletions.
- (iii) Depreciation/Amortization on additions/deletions to the fixed assets due to exchange rate fluctuation is provided on *pro-rata* basis since inception.
- (iv) The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

V. GOVERNMENT GRANTS

- (i) Capital Subsidy received from Government as contribution towards Capital Outlay for setting up the PPE is treated as Capital Grants which is recognized as Income in the Statement of Profit & Loss over the period and in the proportion in which depreciation is charged.
- (ii) Revenue Grants are recognized in Statement of Profit & Loss.

**W. PURCHASES**

- (i) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.
- (ii) Purchases are accounted for "Net of GST Credit availed on eligible inputs".

X. CLAIMS BY/AGAINST THE COMPANY

Claims by/ against the Company arising on any account are provided for in the accounts on receipts/acceptances.

Y. BORROWING COST

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalised as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred.

Z. APPLICATION OF NEW AND REVISED INDIAN ACCOUNTING STANDARDS (IND AS)

Effective 1st April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". This has been replaced for an existing Ind AS 18 "Revenues" earlier adopted by the Company. The adoption of the same will not result into any material change in the principle of reorganization of revenue by the company except that under the earlier Ind AS the amount of commission paid was adjusted against the revenues whereas now the same has been considered as part of the cost and revenue is recognized with Gross Amount. This is done based on the main concept laid down by Ind AS 115 for reorganizing the revenue at consideration which the entity expect to receive in exchange of the promised goods and services.

Further during the year, the Company has adopted all other Indian Accounting Standards (Ind AS) that are notified by the Ministry of Corporate Affairs and are relevant to its operations and effective for the financial year beginning on or after 1st April 2018.

In March, 2019, the Ministry of Corporate Affairs (MCA) issued the companies (Indian Accounting Standards) Amendment rules, 2019, notifying amendments in the various Indian Accounting Standards which are effective for the financial periods beginning on or after 1st April 2019, The standards which might have impact on the financials of the Company are listed as under:

- Ind AS 103 - Business Combination
- Ind AS 107 - Financial Instrument : Disclosures
- Ind AS 109 - Financial Instruments
- Ind AS 113 - Fair Value Measurement
- Ind AS 115 - Revenue from Contracts with Customers
- Ind AS 116 - Leases
- Ind AS 1 - Presentation of Financial Statements
- Ind AS 2 - Inventories
- Ind AS 7 - Statement of Cash Flows
- Ind AS 12 - Income Taxes
- Ind AS 16 - Property, Plant and Equipment
- Ind AS 17 - Leases –(Omitted)
- Ind AS 19 - Employee Benefits
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- Ind AS 23 - Borrowing Costs
- Ind AS 32 - Financial Instruments: Presentation
- Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38 - Intangible Assets
- Ind AS 40 - Investment Property

The Company is in the process of assessing the changes required/ possible impact of these Ind AS's on the financial statements in the period of initial application and accordingly will adopt these changes by suitably amending its accounting policies as well the presentations and disclosures in the financial Statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
Note No-2(A) Property, Plant and Equipment

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE		
		As At 01-04-2018	Additions/Adjustment During the Year	Deductions/Adjustment During the Year	As At 31-03-2019	As At 01-04-2018	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2019	As At 31-03-2019
1	Freehold Land	1,131.91	71.09	-	1,203.00	-	-	-	-	1,131.91
2	Building									
	-Factory	2,125.92	98.54	-	2,224.46	888.02	71.65	-	959.67	1,237.90
	-Administration	59.69	-	-	59.69	33.46	2.01	-	35.47	26.23
3	Plant & Equipment	10,263.96	537.34	14.12	10,787.18	4,820.40	404.45	8.12	5,216.73	5,443.56
4	Furnitures & Fixtures	20.89	0.21	-	21.10	11.20	1.44	-	12.64	9.69
5	Vehicles	127.37	-	20.57	106.80	76.36	10.31	6.25	80.42	51.01
6	Office Equipments	91.69	7.13	2.94	95.88	59.38	10.00	2.79	66.59	32.31
7	Electrical Installation	392.82	4.04	-	396.86	210.38	24.32	-	234.70	182.44
	SUB TOTAL(A)	14,214.25	718.35	37.63	14,894.97	6,099.20	524.18	17.16	6,606.22	8,288.75
	PREVIOUS YEAR	13,104.74	1,142.28	32.77	14,214.25	5,627.54	499.64	27.98	6,099.20	8,115.05
	Capital Work In Progress									76.04
	SUB TOTAL(B)									76.04
										19.76
										19.76

Note No-2(B) Intangible assets

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE		
		As At 01-04-2018	Additions/Adjustment During the Year	Deductions/Adjustment During the Year	As At 31-03-2019	As At 01-04-2018	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2019	As At 31-03-2018
	Software	32.49	-	-	32.49	31.52	0.49	-	32.01	0.97
	TOTAL	32.49	-	-	32.49	31.52	0.49	-	32.01	0.97
	PREVIOUS YEAR	32.49	-	-	32.49	31.00	0.52	-	31.52	1.49



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 LOANS & SECURITY DEPOSITS		(Rs. In Lacs)	
Particulars	As At 31.03.2019	As At 31.03.2018	
A Non-Current (Unsecured, Considered Good)			
a) Security Deposits	142.72	137.16	
b) Loans/Advances to Employees	3.90	6.74	
Total (A)	146.62	143.90	
B Current (Unsecured, Considered Good)			
a) Security Deposits	53.50	53.33	
b) Loans/Advances to Employees	12.08	18.34	
Total (B)	65.58	71.67	
Total (A+B)	212.20	215.57	
4 OTHER FINANCIAL ASSETS			
Current			
a) <u>Interest Recoverable</u>			
i) On Fixed Deposits with Banks	6.97	6.61	
ii) Others	7.17	7.41	
Total	14.14	14.02	
5 OTHER ASSETS			
A Non-Current			
a) Capital Advances	236.12	18.00	
b) Advance Income Tax (Net)	61.69	65.67	
Total (A)	297.81	83.67	
B Current			
a) Advances Recoverable in Cash or In kind or for Value to be Received	542.95	1,006.42	
b) Balances with GST Authorities	355.97	205.93	
c) Balances with Excise Authorities	26.97	23.21	
Total (B)	925.89	1,235.56	
Total (A+B)	1,223.70	1,319.23	
6 INVENTORIES			
a) Raw Material	80.79	50.09	
b) Work-in-progress	577.93	782.30	
c) Finished Goods	1,262.84	857.92	
d) Stores & Spares	73.35	60.37	
e) Packing Material	68.67	59.51	
Total	2,063.58	1,810.19	
7 BIOLOGICAL ASSETS			
Current			
Mushroom Under cultivation	53.30	45.91	
	53.30	45.91	
Reconciliation of changes in carrying amount of Biological Assets			
Opening balance	45.91	43.92	
Add: Gain arising from change in fair value	1.74	1.50	
Add: Increase due to physical changes / transfer from immature	2,154.23	2,114.24	
Less: Decrease due to harvest	(2,148.58)	(2,113.75)	
Closing Balance	53.30	45.91	


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		(Rs. In Lacs)	
Particulars	As At 31.03.2019	As At 31.03.2018	
8 TRADE RECEIVABLES			
Current			
Unsecured			
Considered Good	1,678.61	2,047.82	
Considered Doubtful	8.39	4.43	
	<u>1,687.00</u>	<u>2,052.25</u>	
Less: Allowances for bad and doubtful trade receivables	8.39	4.43	
Total	<u><u>1,678.61</u></u>	<u><u>2,047.82</u></u>	
Movements in allowance for bad and doubtful Trade receivable:			
Opening Balance	4.43	4.43	
(+) Provision made during the year	3.96	-	
(-) Amount utilised from provision	-	-	
Closing Balance	8.39	4.43	
9 CASH AND CASH EQUIVALENTS			
i) Balances with Banks (in Current accounts)	140.57	88.06	
ii) Demand deposits	211.47	100.00	
iii) Cash on Hand	7.98	13.62	201.68
Total	<u><u>360.02</u></u>	<u><u>201.68</u></u>	
10 BANK BALANCES OTHER THAN ABOVE			
i) Earmarked Balances			
- Unclaimed Dividend Account	93.46	103.64	
ii) Margin Money*	15.74	7.96	111.60
Total	<u><u>109.20</u></u>	<u><u>111.60</u></u>	
			* Pledged against guarantee

11(A) SHARE CAPITAL

(Rs. In Lacs)

(i) Share Capital	As At 31.03.2019		As At 31.03.2018	
	Number	Amount	Number	Amount
<u>Authorised Capital</u>				
Equity Shares of Rs.10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Redeemable Preference Shares of Rs.100/- each	5,00,000	500.00	5,00,000	500.00
		<u>2,000.00</u>		<u>2,000.00</u>
<u>Issued, Subscribed & Paid up</u>				
Equity Shares of Rs.10 each	1,24,50,000	1,245.00	1,24,50,000	1,245.00
Total	<u><u>1,24,50,000</u></u>	<u><u>1,245.00</u></u>	<u><u>1,24,50,000</u></u>	<u><u>1,245.00</u></u>

(ii) Reconciliation of Number of Equity Shares

(Rs. In Lacs)

Particulars	Current Year		Previous Year	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,24,50,000	1,245.00	1,24,50,000	1,245.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u><u>1,24,50,000</u></u>	<u><u>1,245.00</u></u>	<u><u>1,24,50,000</u></u>	<u><u>1,245.00</u></u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(iii) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company.

Particulars	As At 31.03.2019		As At 31.03.2018	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Uflex Ltd	58,70,000	47.15	58,70,000	47.15
Anshika Investments Pvt Ltd	12,52,630	10.06	12,52,630	10.06
Total	71,22,630	57.21	71,22,630	57.21

(v) Disclosure Pursuant to Clause (h)(i)(j)(k)(l) of Note 6D of Part I Division II of Schedule III of Companies Act, 2013 are not required.

11(B) OTHER EQUITY

Particulars	Reserve & surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve		
Balance as at April 1,2017	5,372.65	1,007.84	(14.20)	6,366.29
Changes in equity during the year				
Transfer to general reserve	-	-	-	-
Dividend Paid	(311.25)	-	-	(311.25)
Dividend Tax Paid	(63.36)	-	-	(63.36)
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(22.16)	(22.16)
Profit for the Period	680.78	-	-	680.78
Balance as at March 31,2018	5,678.82	1,007.84	(36.36)	6,650.30
Balance as at April 1,2018	5,678.82	1,007.84	(36.36)	6,650.30
Changes in equity during the year				
Transfer to general reserve	-	-	-	-
Dividend Paid	-	-	-	-
Dividend Tax Paid	-	-	-	-
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(33.01)	(33.01)
Profit for the Period	1,103.31	-	-	1,103.31
Balance as at March 31,2019	6,782.13	1,007.84	(69.37)	7,720.60

General Reserve

General reserve was created in accordance with erst while Companies Act, 1956 and rules there under by transferring the surplus of profit and loss to the general reserve, as per the limits laid down thereunder on distribution of profits to shareholders as dividend. This is a part of free reserves and can be used for the purpose of distribution to shareholders.

12 DEFERRED GOVERNMENT GRANTS (To the extent pending apportionment to Statement of Profit & Loss)

Particulars	(Rs. In Lacs)	
	As At 31.03.2019	As At 31.03.2018
Capital Subsidy on		
a) Cold Storage	4.58	6.30
b) Individually Quick Frozen and Air Dried Plant	42.96	47.34
c) Cold Storage (New)	77.06	82.94


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lacs)

Particulars	As At 31.03.2019		As At 31.03.2018	
d) Freeze Drying Cabinet	64.13		68.55	
e) Zig Zag Classifier	22.32	211.05	23.26	228.39
Less: Deferred Income Apportioned to Statement of Profit & Loss				
a) Cold Storage	1.72		1.72	
b) Individually Quick Frozen and Air Dried Plant	4.38		4.38	
c) Cold Storage (New)	5.88		5.88	
d) Freeze Drying Cabinet	3.51		4.42	
e) Zig Zag Classifier	0.94	16.43	0.94	17.34
Total		194.62		211.05

13 BORROWINGS
A Non Current
SECURED

Term Loan from Banks	611.31		1,016.08	
Less :-Current Maturities of Long-Term Debt [Refer Note No.17(a)]	330.00	281.31	404.98	611.10

UNSECURED

Loan from Related parties		550.00		800.00
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Total Borrowings

		831.31		1,411.10
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B Current
SECURED
Working Capital Facilities

From -Canara Bank		1,386.26		1,154.15
From -Allahabad Bank		138.86		167.74

Total

		1,525.12		1,321.89
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Notes:

The company is availing the secured Loan facilities from Canara Bank & Allahabad Bank. Their repayment terms & other details are given as under:

(Rs. In Lacs)

Name of the Bank	Sanctioned Amount	O/S As At 31.03.2019	Current Portion	Long Term	Repayment Terms
Canara Bank	900.00 (900.00)	- (74.98)	- (74.98)	-	Repayable in 60 monthly installments of Rs.15 Lacs each starting from April 2014
Allahabad Bank	1,650.00 (1,650.00)	611.31 (941.10)	330.00 (330.00)	281.31 (611.10)	Repayable in 20 Quarterly installments of Rs.82.50 Lacs each starting from June 2016.
Total	2,550.00	611.31	330.00	281.31	
Previous Year	(2,550.00)	(1,016.08)	(404.98)	(611.10)	

Previous year figures have been given in brackets.

- a) The Loan is secured on first charge basis (a) by way of hypothecation of movable fixed assets of the company and (b) by mortgage of immovable properties of the Company; situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderwala), Dehradun (Uttarakhand). The loan is also collaterally secured (a) by way of second pari passu charge on stocks (including Biological assets) & book debts of company and (b) by personal guarantee of one of the Director of the company.
- b) Working capital facilities are secured on first Pari passu charge basis (a) by way of hypothecation of stock and book debts of the company; and collaterally secured on second pari passu charge basis; (a) by way of hypothecation of fixed assets; (b) by mortgage of immovable properties of the company situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderwala), Dehradun (Uttarakhand) and (c) by personal guarantee of one of the Director of the Company.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

14 PROVISIONS		(Rs. In Lacs)	
Particulars	As At 31.03.2019	As At 31.03.2018	
A Non-Current			
Provision for Leave Encashment	114.38	98.88	
Total	114.38	98.88	
B Current			
Provisions for :			
i) Gratuity	365.77	311.40	
ii) Leave Encashment	13.22	11.00	
Total	378.99	322.40	
Total (A+B)	493.37	421.28	

15 INCOME TAXES		(Rs. In Lacs)	
Income Tax Expense in the Statement of Profit and Loss comprise:			
Particulars	For The Year ended 31.03.2019	For The Year ended 31.03.2018	
Current Income Taxes	127.53	324.28	
Deferred Taxes	(130.78)	39.78	
Income Tax Expense	(3.25)	364.06	

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below :

Profit before Income Taxes	1,099.09	1,069.04
Enacted Tax Rates in India	27.82%	33.06%
Computed expected tax expense	305.77	353.46
Tax Reversals	(169.92)	1.51
Effect of Exempted Income	(141.30)	-
Effect of non-deductible expenses	2.20	9.09
Income Tax Expense	(3.25)	364.06

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Deferred Tax Assets	As At 31.03.2019	As At 31.03.2018
Others	205.75	235.12
Total Deferred Tax Assets	205.75	235.12
Deferred Tax Liabilities		
Excess of book WDV of Property, Plant and Equipment over tax WDV of property, plant and equipment	898.56	1,058.71
Total Deferred Tax Liabilities	898.56	1,058.71
Deferred Tax Liabilities (Net)	692.81	823.59
The gross movement in the deferred tax for the year ended March 31,2019 and March 31, 2018 are as follows		
Net deferred tax liabilities at the beginning	823.59	783.81
Credits/(charge) relating to temporary differences	(130.78)	39.78
Net Deferred Tax Liabilities at the end	692.81	823.59


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
16 TRADE PAYABLES

(Rs. In Lacs)

Particulars	As At	As At
	31.03.2019	31.03.2018
Total Outstanding dues of creditors other than micro enterprises and small enterprises-Suppliers other than related party	575.98	754.57
Total Outstanding dues of micro enterprises and small enterprises	59.16	62.48
Due to Related Parties	-	10.64
Total	635.14	827.69

* The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) based on the information given by the management, are as under:

1 Principal amount due and remaining unpaid	Nil	Nil
2 Interest due on (1) above and the unpaid interest	Nil	Nil
3 Interest paid on all delayed payment under the MSMED Act	Nil	Nil
4 Payment made beyond the appointed day during the year	Nil	Nil
5 Interest due and payable for the period of delay ther than (3) above	Nil	Nil
6 Interest accrued and remaining unpaid	Nil	Nil
7 Amount of further interest remaining due and payable in succeeding years	Nil	Nil

17 OTHER FINANCIAL LIABILITIES

(Rs. In Lacs)

Particulars	As At	As At
	31.03.2019	31.03.2018
a) Current Maturities of Long-Term Debt (Refer Note No.13)	330.00	404.98
b) Interest Accrued but not due on borrowings	5.82	22.53
c) Unclaimed Dividend #	93.46	103.64
d) Security Deposit from Customers	5.60	5.60
e) Capital Creditors	62.66	84.34
Total	497.54	621.09

These do not include any amount due and payable to Investor Education and Protection Fund Account.

18 Current Tax Liabilities

Provision for Current Tax (Net)	0.91	117.00
	0.91	117.00

19 OTHER LIABILITIES
Current

a) Advance Received from Customers	6.10	6.38
b) Statutory Liabilities	203.82	212.25
c) Other Liabilities	33.68	33.18
Total	243.60	251.81

20 REVENUE FROM OPERATIONS

(Rs. In Lacs)

Particulars	For The Year ended	
	31.03.2019	31.03.2018
a) Sale of Products	8,158.70	8,758.49
b) Other Operating Revenues		
i) Export Incentive	328.47	306.14
ii) Deferred Income on Capital Grant (Government Grants)	16.43	17.34
iii) Transport & Marketing Assistance (TMA)	3.37	-
iv) Refund of Service Tax	-	7.22
v) Sale of Miscellaneous Items	29.66	33.38
Total	8,536.63	9,122.57



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

21 OTHER INCOME	(Rs. In Lacs)			
Particulars	For the Year Ended 31.03.2019		For the Year Ended 31.03.2018	
a) Interest Income				
From Banks	8.46		14.61	
From Others	8.33	16.79	8.46	23.07
b) Exchange Rate Fluctuation (Net)		143.39		217.63
c) Miscellaneous Income		1.89		2.26
d) Sundry credit Balance Written Back		0.15		2.63
e) Interest on Income Tax Refund		2.19		-
Total		164.41		245.59
22 COST OF MATERIAL CONSUMED				
Opening Stock		50.09		125.58
Add: Purchases		1,322.15		1,495.32
		1,372.24		1,620.90
Less: Closing Stock		80.79		50.09
Raw Material consumed		1,291.45		1,570.81
23 A) (INCREASE)/DECREASE IN FINISHED GOODS & WORK-IN-PROGRESS				
Closing Stock				
Finished Stock	1,262.84		857.92	
Work-In-Progress	577.93	1,840.77	782.30	1,640.22
Opening Stock				
Finished Stock	857.92		1,147.64	
Work-In-Progress	782.30	1,640.22	569.81	1,717.45
Total		(200.55)		77.23
B) (INCREASE)/DECREASE IN BIOLOGICAL ASSET				
Closing Stock				
Biological Asset		53.30		45.91
Opening Stock				
Biological Asset		45.91		43.92
Total		(7.39)		(1.99)
24 EMPLOYEES BENEFIT EXPENSES				
a) Salaries, Wages, Benefits & Amenities		1,596.48		1,532.46
b) Contribution to Provident Fund		72.93		69.78
c) Gratuity (Refer Note No.29)		54.87		78.40
d) Employees Welfare Expenses		45.69		42.67
Total		1,769.97		1,723.31
25 FINANCE COST				
Interest on:				
i) Secured Loans		97.89		167.29
ii) Working Capital Facilities		17.13		17.88
iii) Shortfall in payment of Advance Tax		4.75		17.29
iv) Interest to Others		52.62		-
Discounting & Bank Charges		158.53		160.96
Total		330.92		363.42


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
26 MANUFACTURING EXPENSES

(Rs. In Lacs)

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
Power & Fuel Consumed	1,356.98	1,362.05
Repair & Maintenance - Machineries	228.50	240.12
Stores, Spares, Tools, Jigs & Dies Consumed	143.03	141.21
Labour Charges	205.79	234.08
Sorting & Picking Charges	143.09	181.03
Tractor Hire & Shifting Charges	145.76	155.20
Others Manufacturing Expenses	33.74	37.76
Total	2,256.89	2,351.45

27 ADMINISTRATION & SELLING EXPENSES

Power & Fuel	75.34	42.58
Insurance Charges	67.70	76.90
Postage & Telephone Expenses	23.34	23.61
Vehicle Hire, Running & Maintenance Expenses	31.59	33.36
Conveyance & Travelling Expenses	113.49	138.30
Repair & Maintenance - Building	50.94	53.80
Repair & Maintenance - Others	24.68	26.94
Legal & Professional Charges	97.38	106.41
General Expenses	153.23	135.60
CSR Expenditure	2.91	20.00
Charity & Donation	0.26	0.21
Provision for Doubtful Debts	3.97	-
Rates & Taxes	0.61	0.89
Loss on Sale of Fixed Assets (Net)	3.88	0.86
Sundry debit Balance written off	27.24	65.26
GST Expenses	76.25	48.46
Rebate & Discount	14.87	3.62
Sample Testing Charges	37.15	25.95
Commission on Sale	14.79	15.84
Packing & Forwarding Charges	317.11	321.39
Freight Outward	478.09	523.63
Total	1,614.82	1,663.61

28 EARNINGS PER SHARE (EPS)

a) Profit for the year (Rs. In Lacs)	1,103.31	680.78
b) Weighted Average number of Equity Shares for computation of Basic and Diluted Earning Per Share (In Numbers)	1,24,50,000	1,24,50,000
c) Nominal value per share (Rs.)	10	10
d) Basic & Diluted Earning Per Share (Rs.)	8.86	5.47



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

29 GRATUITY & POST EMPLOYMENT BENEFIT

The Employees' Group Gratuity Scheme is managed by Life Insurance Corporation of India. The present value of obligation for Gratuity & other Post Employment benefit (i.e. Leave encashment) are determined based on actuarial valuation using the Projected Unit Credit Method. The additional disclosure in terms of Indian Accounting Standards-19 "Employees Benefits" is as under:

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
a) Reconciliation of opening and closing balances of obligation				
Obligation at beginning of the year	586.24	496.17	109.88	88.80
Current Service Cost	31.39	28.59	10.42	9.53
Past Service Cost	-	31.66	-	-
Interest Cost	44.20	37.46	8.29	6.71
Actuarial (gain) /loss	33.64	22.42	1.97	10.93
Less: Benefits paid	16.77	30.06	2.96	6.09
Obligation at the end of the year	678.70	586.24	127.60	109.88
b) Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year	274.84	255.78	-	-
Employer contribution	33.51	29.55	-	-
Less: Benefits Paid	16.77	30.06	-	-
Add: Expected return on plan assets	20.72	19.31	-	-
Add: Actuarial Gain /(Loss) on plan assets	0.63	0.26	-	-
Fair value of plan assets at the end of the year	312.93	274.84	-	-
c) Amount Recognized in Balance Sheet				
Present value of obligation	678.70	586.24	127.60	109.88
Less: Fair value of plan assets	312.93	274.84	-	-
Amount recognized in Balance Sheet	365.77	311.40	127.60	109.88
d) Gratuity & other Post Employment benefit cost for the period				
Current Service Cost	31.39	28.59	10.42	9.53
Past Service Cost	-	31.66	-	-
Interest Cost	44.20	37.46	8.29	6.71
Expected return on plan assets	(20.72)	(19.31)	-	-
Actuarial (gain) /loss	-	-	1.97	10.93
Net amount recognized in Statement of Profit & Loss	54.87	78.40	20.68	27.17
e) Gratuity & other Post Employment benefit cost for the period				
Remeasurement of the net defined benefit liability/assets				
Actuarial (gains)/losses	(33.01)	22.16	-	-
Net amount recognized in Statement of other comprehensive income	(33.01)	22.16		
f) Principal actuarial assumption at the Balance Sheet date:				
Interest Rate	7.63%	7.54%	7.63%	7.54%
Salary Escalation	6.00%	5.55%	6.00%	5.55%


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The expected benefits increases are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at 31st March 2019. The Company is expected to contribute Rs. 85.06 lacs to defined benefits plan obligation fund for the year ending 31st March 2020.

The significant accounting assumptions are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while other assumptions are constant.

If the discount rate increases/(decreases by 0.5%), the defined benefit plan obligations would decrease by Rs. 23.74 Lacs (increase by Rs.25.09 Lacs) as at 31st March 2019.

If the expected salary growth increases/(decreases by 0.5%), the defined benefit plan obligations would increase by Rs. 24.20 Lacs (decrease by Rs.22.02 Lacs) as at 31st March 2019.

The sensitivity analysis presented about may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

30 SEGMENT DISCLOSURE

Based on Business risk & synergies there is only one reportable segment hence segment reporting is not given, however geographical distribution of revenue is as under:-

Particulars	(Rs. In Lacs)	
	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
Domestic Revenue #	2,483.31	2,515.24
Export Revenue:		
USA##	301.72	251.98
Europe##	5,657.65	6,307.54
Asia	77.52	23.18
Others	-	0.07
Total	8,520.20	9,098.01

Includes sales of Miscellaneous Items amounting to Rs.29.66 Lacs (previous year Rs.33.39 Lacs) shown under - Note No. -20 (b)(v)

Includes three major customers having revenue from them of more than 10% of the total revenue amounting to Rs. 5515.01 Lacs (previous year Rs.6144.52 Lacs)

31 PAYMENT TO AUDITORS

a) Statutory Audit	12.50	12.50
b) Tax Audit	4.00	4.00
c) Certification & other services	5.10	5.10
d) For Reimbursement of Expenses	0.85	0.81
Total	22.45	22.41

32 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(Rs. In Lacs)	
	As At 31.03.2019	As At 31.03.2018
A Contingent Liabilities		
Claims against the company not acknowledged as debt :-		
(i) Demand raised by Customs & Central Excise Department which are contested by the company (Including interest & Net of Demand Deposits).	749.84	779.50
ii) Guarantees Issued by the Bank(Net of Margin)	56.44	64.08



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	(Rs. In Lacs)	
Particulars	As At 31.03.2019	As At 31.03.2018
iii) Retrospective Payout for Payment of Bonus for the Financial Year 2014-15 has not been provided for in the Books of Accounts based on the matter being contested by third parties and/or stay granted by various High Courts of India in respect of this matter.	39.28	39.28
Total (A)	845.56	882.86
B Commitments		
Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for in the Books of Accounts.	893.67	104.14
Total (B)	893.67	104.14

33 RELATED PARTY TRANSACTION

Following disclosures are made, as per the definition of Related Parties defined in Indian Accounting Standard-24 "Related Party Disclosures" and Section 2(76) of the Companies Act, 2013.

(A) List of Related Parties

i) **Enterprise for which Reporting Enterprise is an Associate:**
Uflex Limited

ii) **Individual owning indirect interest in voting power of the company:**
Shri.Ashok Chaturvedi, Chairman (and his relatives)

Relatives:-

Mrs. Rashmi Chaturvedi
Mr. Anantshree Chaturvedi
Mr. Apoorvshree Chaturvedi
Ms. Anshika Chaturvedi

iii) **Key Management Personnel:**

- 1) Shri A Raghavendra Rao, Whole-time Director (and his relatives)
- 2) Shri Rajesh Dheer, Company Secretary (and his relatives)
- 3) Shri Naval Duseja, Chief Financial Officer (and his relatives)

iv) **Enterprises in which person referred in clause A(ii) along with their relatives exercise significant influence:**

- 1) UTech Developers Ltd
- 2) AKC Retailers Pvt Ltd
- 3) Flex International Pvt. Ltd.
- 4) A.R. Leasing Pvt. Ltd.
- 5) Anshika Investments Pvt. Ltd
- 6) Anant Overseas Pvt. Ltd.
- 7) Apoorva Extrusion Pvt. Ltd.
- 8) Anshika Consultants Pvt. Ltd.
- 9) Cinflex Infotech Pvt. Ltd
- 10) A .R. Infrastructures & Projects Pvt Ltd
- 11) A.L. Consultants Pvt. Ltd
- 12) Magic Consultants Pvt. Ltd.
- 13) Kaya Kalpa Medical Services Pvt. Ltd.
- 14) AC Infrastructures Pvt. Ltd.
- 15) Ultimate Infratech Pvt Ltd.
- 16) SD Buildwell Pvt. Ltd.
- 17) Niksar Finvest Pvt Ltd.
- 18) Reflex Energy (Rajasthan) Pvt. Ltd.
- 19) Ganadhipati Infraproject Pvt. Ltd.
- 20) Nirman Overseas Pvt Ltd.
- 21) Sungrace Products (India) Pvt. Ltd.
- 22) A.R. Airways Pvt Ltd.
- 23) Virgin Infrastructures Pvt. Ltd.
- 24) Modern Info Technology Pvt. Ltd.
- 25) Mansarovar Hotel Pvt. Ltd. (w.e.f. 03.10.2018)
- 26) Saga Realtors Pvt. Ltd.
- 27) Club One Airways Pvt. Ltd.
- 28) Gangotri Management Pvt. Ltd.
- 29) Manpasand Marketing Pvt. Ltd.
- 30) Bundelkhand Project Pvt. Ltd.
- 31) USC Hologram Pvt. Ltd.
- 32) Flex Industries Pvt. Ltd.
- 33) Ganadhipati Infrastructure & Projects Pvt. Ltd
- 34) Afflatus Gravures Pvt. Ltd
- 35) Afflatus Graphics Pvt. Ltd
- 36) RCMT Clothings Pvt. Ltd
- 37) Manushree Creations Pvt. Ltd.
- 38) First Flexipack Corporation
- 39) UFLEX Europe Ltd.
- 40) Flex Americas SA.de C.V. Maxico
- 41) Flex P. Films Egypt S.A.E.(Egypt)
- 42) Flex Films Europa Sp. Z.o.o.,(Poland)
- 43) Flex Films (USA) Inc.
- 44) UPET Holdings Limited, Mauritius
- 45) UPET (Singapore) Pte Ltd
- 46) Flex Middle East FZE ,
- 47) Uflex Packaging Inc. (USA.)
- 48) Ultra America Inc.
- 49) Digicyl Pte. Ltd. (Singapore)
- 50) Digicyl Ltd. (Israile) (w.e.f. 18.07.2018)
- 51) Flex Films Africa Pvt.Ltd. (Nigeria) (w.e.f. 11.05.2018)
- 52) Flex Films Europa Korltoit Felelossegu Tarssaag (Hungry) (w.e.f. 02.08.2018)
- 53) Flex Films Rus LLC (Russia) (w.e.f. 23.11.2018)
- 54) Flex Chemical Pvt. Ltd. (Russia) (w.e.f. 11.12.2018)
- 55) Sigma Resorts & Hospitality Pvt Ltd. (w.e.f. 24.01.2019)
- 56) A-One Catering Service LLP
- 57) Ultimate Flexipack Ltd.
- 58) Ultimate Prepress LLP
- 59) Naveli Collections Pvt. Ltd.


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
(B) Transactions with Related Parties

		(Rs. In Lacs)			
Nature of Trans action	Enterprise for which Reporting Enterprise is an Associate	Individual owning indirect interest in voting power of the company and his relatives	Key Management Personnel & their relatives	Enterprises as referred to in A(iv)	
i) Purchase of Packing Material / Others	32.27	-	-	-	-
	(52.85)	-	-	-	(1.21)
ii) Loan Received	-	-	-	-	-
	-	-	-	-	(800.00)
iii) Interest Paid	-	-	-	-	52.62
	-	-	-	-	(12.80)
iv) Leases Rent	10.62	-	-	-	-
	(7.97)	-	-	-	-
v) Dividend Paid	-	-	-	-	-
	(146.75)	(1.32)	-	-	(37.68)
vi) Reimbursement of Expenses	-	-	0.90	-	-
	(2.80)	-	(0.90)	-	-
vii) Remuneration	-	-	117.82	-	-
	-	-	(105.81)	-	-
viii) Sitting Fees	-	0.75	-	-	-
	-	(1.00)	-	-	-
ix) Sales of (MEIS) Licence	52.80	-	-	-	-
	(173.41)	-	-	-	-
Balance Outstanding at the end of the year					
	Credit	-	-	-	550.00
	Debit	(10.64)	-	-	(800.00)
	Debit	-	-	-	-
	(32.66)	-	-	-	-
Outstanding Guarantee against Term Loans and working capital facilities		2,136.44			
		(2,337.98)			

Note: Figures in brackets represent previous year's amount.

34 Information in respect of CSR Expenditure required to be spent by the Company (Rs. In Lacs)

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
i) Gross Amount required to be spent by the Company	24.11	26.42
ii) Amount spent during the year on :		
a) Construction / acquisition of any asset	-	-
b) On purpose other than (a) above	2.90	20.00
iii) Amount payable as at Year End	-	0.79

35 In the opinion of the board and to the best of their knowledge, value of realisation of assets, other than property, plant & equipment in the ordinary course of the business, would not be less than the amount at which they are stated in the balance sheet.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- 36 Balances of some of the parties are subject to reconciliation & confirmations.
- 37 The Board of Directors of the company has recommended a final dividend of Rs 1.00 (Previous Year Nil) per share aggregating to Rs. 150.09 Lacs (Previous Year Nil) (including the dividend distribution tax of Rs. 25.59 Lacs (Previous Year Nil) for the Financial Year ended 31st March 2019 subject to the approval of the shareholder in their ensuing Annual General Meeting.
- 38 The Previous year's figures have been regrouped and reclassified wherever necessary.

39 Financial Instruments

Financial Instruments by category:

The carrying value and fair value of financial instruments by categories as of March, 31 2019 & as of March,31 2018 were as follows:

		(Rs in Lacs)				
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value	Total fair value
Assets						
Cash and cash equivalents	CY	469.22	-	-	469.22	469.22
(refer note no 9 & 10)	PY	313.28			313.28	313.28
Trade Receivables	CY	1678.61	-	-	1678.61	1678.61
(refer note no 8)	PY	2047.82			2047.82	2047.82
Loans & Security Deposits	CY	212.20	-	-	212.20	212.20
(refer note no 3A and 3B)	PY	215.57			215.57	215.57
Other financial assets	CY	14.14	-	-	14.14	14.14
(refer note no 4)	PY	14.02			14.02	14.02
Total	CY	2374.17	-	-	2374.17	2374.17
	PY	2590.69	-	-	2590.69	2590.69
Liabilities						
Trade payables	CY	635.14	-	-	635.14	635.14
(refer note no 16)	PY	827.69	-	-	827.69	827.69
Other financial liabilities	CY	497.54	-	-	497.54	497.54
(refer note no 17)	PY	621.09	-	-	621.09	621.09
Borrowings	CY	2356.43			2356.43	2356.43
(refer note no 13A and 13B)	PY	2732.99			2732.99	2732.99
Total	CY	3489.11	-	-	3489.11	3489.11
	PY	4,181.77	-	-	4181.77	4181.77

Financial Risk Management :

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk & Commodity Price Risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Company enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Statutory Auditors, Audit Committee and the Board of Directors from time to time.

Credit Risk:

Credit Risk refers to the risks that arise on default by the counter party on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained.

Company's exposure to Credit Risk is also influenced by the concentration of risk from top five customers. The details in respect of the % of sales generated from the top customer and top five customers are given hereunder.

Particulars	Current Year	Previous Year
Revenue from Top Customer	40%	47%
Revenue from Top Five Customers	75%	74%

The credit risk on cash, cash equivalent and fixed deposit are insignificant as counter parties are public sector banks. The non current financial assets include security deposit with Govt. body, hence no associated credit risk

Liquidity Risk

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due.

The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

Particulars	As at 31st March 2019	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	2,686.43	1,855.12	831.31
Trade payables	635.14	635.14	-
Other Financial Liability	167.54	167.54	-
Other Liabilities	243.60	243.60	-
Current Tax Liability	0.91	0.91	-

Interest Rate Risk :

Generally market linked financial instruments are subject to interest rate risk. The company does not have any marked linked financial instrument both on the asset or liability side. Hence no interest rate risk.

In case of the borrowings by the company, the company is subject to interest rate risk on account of any fluctuation in the base rate fixed by the banks. Every fluctuation in the base rate of the bank either on the higher or lower side will result into financial loss or gain to the company

The borrowings of the company amounting to Rs. 2136.43 Lacs as on 31.03.2019 out of total Rs. 2686.43 lacs, is linked with the Base Rate of the Banks.

Based on the structure of debt as at year end, a one percentage point increase in the debt would cause an additional expense in the net financing cost of Rs. 21.36 Lacs.

Foreign Exchange Risk :

The company is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.



The company imported goods for insignificant amounts on trade account. Approximately 74% of revenue were earned in foreign currency due to nature of business being exports. In a way, Company is a net foreign exchange earner.

The Company did not undertake hedging to cover exchange risk and kept its foreign exchange exposure open mainly due to its supplies to customers overseas which were on Credit and it resorted to discounting of such supply bills with its bankers. In this situation, the Exchange rate was crystallised on the date of discounting & did not remain open ended till the date of realization of Export proceeds. This measure also mitigated the Exchange Rate Risk.

Based on one percentage point variations in the exchange rate, the profit for the year based on the foreign currency transaction entered during the period will be effected by 5.26%.

Commodity Price Risk :

Raw materials which company procures from the open market are agricultural products, production of which is directly effected by weather conditions and pricing is linked to the prevailing demand & supply conditions of the products. Company mitigate this risk by bulk buying during season for off season use.

The company has been operating in a global competitive environment due to its dependence mainly on Exports. The competition has been becoming more fierce and it has been subject to major competition from other Asian Countries largely China which has been causing pressure on the product prices & volumes resulting into drop in the selling prices and profit margins.

In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers, focus on newer product developments to increase its product portfolio and also accelerate its efforts to develop domestic market for its products. In addition to this, it has also been focusing on improvement in products quality and productivity of operations. With these measures, company expects to counter the commodity price risk.

Risk Management Strategy Related to Biological Assets**Regulatory and Environmental Risks**

The Company is subject to laws and regulations in the locations in which it operates. The company has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply and Demand Risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of its product i.e. Fresh Mushroom. Management performs regular industry trend analysis to project harvest volumes and pricing. Where possible, the company manages this risk by aligning its harvest volumes to market supply and demand.

Climate and other Risks

The company's biological asset is exposed to the risk of damage from climatic changes, diseases and other natural forces. The company has extensive processes in place aimed at monitoring and mitigating these risks, including growing under controlled conditions.

Note : Signatories to Notes 1 to 39

For and on behalf of the Board of Directors

Ashok Chaturvedi
Chairman
DIN -00023452

A.R. Rao
Whole-Time Director & C.E.O.
DIN -05116052

For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013

M.M. Varshney
Sr. Vice president

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 25th May, 2019



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

Regd. Office : Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand)

ATTENDANCE SLIP

29th Annual General Meeting

Regd. Folio/DP & Client ID No:..... No .of Shares Held:.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company to be held on **Monday the 05th Day of August, 2019 at 11.30 A.M.** at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, (Uttarakhand) and at any adjournment thereof.

Member's Name :

Proxy's Name :

Member's/ Proxy's Signature

Note : 1. Please fill this attendance slip and hand it 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. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.

Form No. MGT-11



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

Regd. Office : Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand)

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./Client Id :..... DP ID.....

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

1. Name :..... Address:.....

..... E.mail ID:.....Signature:..... or failing him

2. Name :..... Address:.....

..... E.mail ID:.....Signature:..... or failing him

3. Name :..... Address:.....

..... E.mail ID:.....Signature:..... as

my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on **Monday the 05th Day of August, 2019 at 11.30 A.M.** at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, (Uttarakhand) and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sl. No.	Resolutions	Optional	
	Ordinary Business	For	Against
1	To adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019		
2	To declare the dividend for the year 2018-2019 on the equity shares of the Company		
3	Re-appoint Shri A. Raghavendra Rao (DIN 05116052) as Director		
	Special Business		
4	Re-appoint Shri Rajendra Kumar Mishra (DIN 07905342) as Independent Director for 2nd term		

Signed this.....day of.....2019

Affix Revenue stamp

Signature of Proxy holder(s)

Signature of the Shareholder

- Note:**
1. 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.
 2. For Resolutions and Notes, please refer to the Notice of 29th Annual General Meeting of the Company.
 3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
 4. Please complete all details including details of Member(s) in above box before submission.

ROUTE MAP

