

The background of the entire page is a grayscale image of corn cobs. The top half features a close-up of a single cob, while the bottom half shows multiple cobs. In the center, there is a horizontal strip containing three smaller images: mushrooms on the left, a basil plant in the middle, and a herb plant on the right.

# **THIRTY FIRST ANNUAL REPORT 2020-2021**



**FLEX FOODS LIMITED**



## **FLEX FOODS LIMITED**

(CIN L15133UR1990PLC023970)

### **THIRTY FIRST ANNUAL REPORT 2020-2021**

#### **BOARD OF DIRECTORS**

ASHOK CHATURVEDI  
*Chairman*

PARESH NATH SHARMA

INDU LIBERHAN

RAJENDRA KUMAR MISHRA

RAJEEV SHARMA (Appointed w.e.f. 14.07.2020)

ARVIND MAHAJAN (Appointed w.e.f. 24.08.2021)

MADAN MOHAN VARSHNEY (Appointed w.e.f.  
27.06.2020)  
*Whole Time Director*

RAHUL RAZDAN (Appointed w.e.f. 24.08.2021)  
*Whole Time Director*

A RAGHVENDRA RAO (Upto 03.04.2020)  
*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,  
Ghaziabad, 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  
INDIAN 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.: 011 26440917, 26440925  
Fax No. : 011 26216922  
E-mail : [secretarial@uflexltd.com](mailto: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](mailto:beetal@beetalfinancial.com)

#### **WORKS**

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

Chidderwala,  
Dehradun,  
(Uttarakhand)



## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting this 31<sup>st</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS :

The summarized financial results for the year ended 31<sup>st</sup> March, 2021 and for the previous year ended 31<sup>st</sup> March, 2020 are as follows:

[Rs. in Lacs]

	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Revenue from Operations</b>	<b>10297.68</b>	8149.60
Other Income	<b>246.98</b>	187.60
<b>Total Revenue</b>	<b>10544.66</b>	8337.20
<b>Profit before Finance Cost, Depreciation &amp; Tax</b>	<b>2272.44</b>	1361.02
Finance Cost	<b>209.67</b>	248.92
Depreciation	<b>521.64</b>	541.91
<b>Profit before Tax</b>	<b>1541.13</b>	570.19
Less: Tax Expenses	<b>341.62</b>	(108.76)
<b>Profit for the year</b>	<b>1199.51</b>	678.95

During the year under review, your Company achieved total revenue and net profit of Rs 10544.66 Lacs and Rs. 1199.51 Lacs respectively as against total revenue and Net Profit of Rs. 8337.20 Lacs and Rs 678.95 Lacs respectively during the previous financial year ended 31<sup>st</sup> March, 2020.

The Covid-19 pandemic has impacted the businesses around the world, including India. In response, Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the disease and businesses worldwide have restricted access to public facing institutions, those deemed non-essential. These closures have led to significant, adverse changes in macroeconomic conditions – constraints on supply chain, sourcing of inputs and workforce availability. However the Company has not been materially impacted by the coronavirus as of now. Since Company's business falls within the category of manufacturing of essential commodities, therefore company has not seen any material impacts on its business activities for the financial year under report. However the extent to which the coronavirus will have additional impacts on the Company's business activities will depend on future developments, which are highly uncertain and can't be predicted. However, the company will continue to monitor any material changes to future economic conditions.

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

### TRANSFER OF UNCLAIMED DIVIDEND TO AUTHORITY

An amount of Rs. 12,72,736/- (Rupees Twelve Lacs Seventy Two Thousand Seven Hundred Thirty Six 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 30851 (Thirty Thousand Eight Hundred Fifty One) Equity Shares on which Dividend was not paid 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/- (Rupees one only) per share for the financial year ended 31<sup>st</sup> March, 2021 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 10<sup>th</sup> September, 2021. 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Shri Ashok Chaturvedi – 7,610 Equity shares

Shri Madan Mohan Varshney – 1,300 Equity Shares

### FIXED DEPOSITS

The Company neither had any fixed deposits outstanding as at 31<sup>st</sup> March 2021 nor any fresh/renewal of deposits were accepted during the financial year 2020-21. There were no unclaimed deposits as at 31<sup>st</sup> March, 2021.

### 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.

Shri Madan Mohan Varshney (DIN 08349956) and Shri Rajeev Sharma (DIN 08789214) were appointed as Additional Directors w.e.f. 27.06.2020 and 14.07.2020 respectively and their appointment as regular Director of the Company were approved by the members of the company in the Annual General Meeting held on 25.09.2020. Your Directors welcome Shri Madan Mohan Varshney and Shri Rajeev Sharma on the Board of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Madan Mohan Varshney (DIN 08349958) Director of the Company retire by rotation and being eligible, offers himself for reappointment.

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.

Shri A Raghavendra Rao resigned from the Board of Directors of the Company w.e.f. 03.04.2020 due to his pre-occupation. The Board of Directors place on record their appreciation for the valuable contribution made during his tenure as Whole-time 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-2020-2021.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 Internal Auditors of the Company, subject to disclosures in the Annual Accounts and also on the basis of the discussion with the Statutory 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:

- that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 31<sup>st</sup> March, 2021 and of the Profit of the Company for the year ended on that date;
- 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;
- that the annual accounts have been prepared on a going concern basis;

- that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- 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 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> 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 2020-2021 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 31<sup>st</sup> March, 2021 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 2021-2022.

## 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 2021-2022. The Report of the Secretarial Auditor is annexed 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 Shri Paresh Nath Sharma, Chairman, Shri Rajendra Kumar Mishra, Member and Shri Madan Mohan Varshney, 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/CSRPoly.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.

## 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) Annual Return

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at [https://flexfoodsltd.com/pdf/Annual\\_Return/Annual\\_Return\\_2020\\_2021.pdf](https://flexfoodsltd.com/pdf/Annual_Return/Annual_Return_2020_2021.pdf).

### (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

The Audit Committee, comprises of Smt. Indu Liberhan as the Chairperson, Shri Paresh Nath Sharma, Shri Rajendra Kumar Mishra, and Shri Madan Mohan Varshney 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](http://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.

(vi) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

(vii) There was no instance of one time settlement with any Bank or Financial Institution.

## 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](http://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 2020-2021 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2021 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. 31<sup>st</sup> March, 2021 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 'E'.

**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 F".

**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 to 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 : 28<sup>th</sup> June, 2021



**ANNEXURE-A**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To**

**The Members**

**FLEX FOODS LIMITED**

**(CIN: L15133UR1990PLC023970)**

**Lal Tappar Industrial Area,**

**PO-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 **31<sup>st</sup> March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2021 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, 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, 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 subject to the following observations:



The appointment of 6th Director of the Board was delayed on account of Covid-19 health emergency, as consequent lock-down w.e.f. 25th March, 2020, the process got delayed. The BSE has imposed a penalty of Rs. 5,20,000 + GST for the non-compliance with upon representation of the Company was waived off by BSE vide email dated 17 June, 2020.

We further report that

Subject to above observation, The Board of Directors of the Company is 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-tome 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.

**Place: Delhi**

**Date : 28 June, 2021**

**For Mahesh Gupta and Company  
Company Secretaries**

**Mahesh Kumar Gupta  
Proprietor**

**FCS No.: 2870::C P No.: 1999  
UDIN:F002870C000525801**

This report is to be read with our letter of even date which is annexed as '**Annexure -A1**' and forms an integral part of this report.

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**ANNEXURE - A1**

**To  
The Members**

**FLEX FOODS LIMITED  
(CIN: L15133UR1990PLC023970)  
Lal Tappar Industrial Area,  
PO-ReshamMajri, 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 : 28 June, 2021**

**For Mahesh Gupta and Company  
Company Secretaries**

**Mahesh Kumar Gupta  
Proprietor**

**FCS No.: 2870::C P No.: 1999  
UDIN:F002870C000525801**





## ANNEXURE – ‘B’

### CSR REPORT FOR THE FY 2020-21

1	Brief outline on CSR Policy of the Company			Flex Foods Limited strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by Promoting education and keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company lives and operates.	
2	Composition of CSR Committee:				
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	1.	Shri Paresh Nath Sharma	Chairperson / Independent Director	1	1
	2.	Shri Rajendra Kumar Mishra	Member / Independent Director	1	1
	3.	Shri Madan Mohan Varshney (w.e.f. 27 <sup>th</sup> June, 2020)	Member / Executive Director	1	1
	4.	Shri A Raghavendra Rao (upto 3 <sup>rd</sup> April, 2020)	Member / Executive Director	Nil	Nil
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.			<a href="https://www.flexfoodsltd.com/pdf/CSRPolicy.pdf">https://www.flexfoodsltd.com/pdf/CSRPolicy.pdf</a>	
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).			NOT APPLICABLE	
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any				
	Sl. No	Financial Year	Amount available for set-off from preceding financial years (in Rs)		Amount required to be set-off for the financial year, if any (in Rs)
	1	2019-20	NIL		NIL
	2	2018-19	NIL		NIL
	3	2017-18	NIL		NIL
	TOTAL		NIL		NIL
6	Average net profit of the company as per section 135(5).				Rs. 933.57 Lacs
7	(a)	Two percent of average net profit of the company as per section 135(5)			Rs. 18.67 Lacs
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.			N.A.
	(c)	Amount required to be set off for the financial year, if any			N.A.
	(d)	Total CSR obligation for the financial year (7a+7b-7c)			Rs. 18.67 Lacs
8	(e)	CSR amount spent or unspent for the financial year:			
	Total Amount Spent for the Financial Year (Rs. in Lacs)		Amount Unspent (in Rs.)		
Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
Amount			Date of transfer	Name of the Fund	Amount
	18.75		N.A.		N.A.



(b) Details of CSR amount spent against ongoing projects for the financial year: NIL										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Location of the project. (Yes/No)	Project location. (in Rs.).	Amount allocated for the project. (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.).	Mode of Implementation - Through Implementing Agency	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
			State	District				Name	CSR Registration number.	
NIL										
(c) Details of CSR amount spent against other than ongoing projects for the financial year:										
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs. In Lacs)	Mode of implementation - Direct (Yes / No).	Mode of implementation - Through implementing agency.		
				State.	District.			Name	CSR registration number.	
1.	Promoting Environment Sustainability	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	Yes	Uttar Pradesh	Goutam Budh Nagar	Rs.18.75	Yes	Sanshabam Abhay Daanam	N.A.	
TOTAL						18.75				
(d)	Amount spent in Administrative Overheads					Nil				
(e)	Amount spent on Impact Assessment, if applicable					N.A.				
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)					18.75				
(g)	Excess amount for set off, if any :									
	Sl. No.	Particular								Amount (Rs. in Lacs)
	(i)	Two percent of average net profit of the company as per section 135(5)								18.67
	(ii)	Total amount spent for the Financial Year								18.75
	(iii)	Excess amount spent for the financial year [(ii)-(i)]								0.08
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any								Nil
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]								0.08



9	(a)	Details of Unspent CSR amount for the preceding three financial years: <b>N.A.</b>							
	Sl. No.	Preced- ing Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund speci- fied under Schedule VII as per section 135(6), if any.			Amount remain- ing to be spent in succeeding financial years. (in Rs.)	
					Name of the Fund	Amount (in Rs).	Date of transfer		
-	-	-	-	-	--	-	-	-	

	(b)	Details of CSR amount spent in the financial year for <b>ongoing projects</b> of the preceding financial year(s): <b>N.A.</b>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount al-located for the project (in Rs.)	Amount spent on the project in the report-ing Financial Year (in Rs)	Cumulative amount spent at the end of reporting Fi-nancial Year. (in Rs.)	Status of the project-Comple-ted / Ongoing
	1.								
	2.								
	3.								
TOTAL									

10.	In case of creation or acquisition of capital asset, furnish the details relating to the as- set so created or acquired through CSR spent in the financial year (asset-wise details).							<b>Not Applicable</b>		
	(a)	Date of creation or acquisition of the capital asset(s).								
	(b)	Amount of CSR spent for creation or acquisition of capital asset.								
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.								
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).								

11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). <b>Not Applicable</b>								
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(ASHOK CHATURVEDI) Chairman DIN : 00023452					(PARESH NATH SHARMA) Chairman of CSR Committee DIN: 00023625				
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Place : NOIDA

Dated : 28 June, 2021

## ANNEXURE 'C'

### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2021

#### 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, 2021)

The Board of Directors of the Company comprises of Six Directors with one Executive Director and three Independent Non-executive Directors including a Woman Director and two 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 as on 31.03.2021 is as follows:-**

Name of Directors	DIN	Designation	Category
Shri Ashok Chaturvedi	00023452	Chairman	Promoter -Non-executive
Shri Paresh Nath Sharma	00023625	Director	Independent, Non-executive
Shri Rajendra Kumar Mishra	07905342	Director	Independent, Non-executive
Smt Indu Liberhan	03341420	Director	Independent, Non-executive
Shri Rajeev Sharma*	08789214	Director	Non- Executive
Shri Madan Mohan Varshney@	08349956	Whole-time Director	Executive
Shri A Raghvendra Rao^	05116052	Whole-time Director	Executive

\*Shri Rajeev Sharma was appointed as an Additional Director of the Company w.e.f 14/07/2020 and a Regular Director on Annual General Meeting held on September 25, 2020.

@ Shri Madan Mohan Varshney was appointed as Additional Director and Whole-time Director of the Company w.e.f. 27/06/2020 and Regular Whole-time Director on Annual General Meeting held on September, 2020.

^ Resigned from the Company w.e.f. 03/04/2020

##### b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2020-2021. The dates on which the meetings were held are 27th June, 2020, 17th August, 2020, 10th November, 2020 and 10th February, 2021.

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
Shri Ashok Chaturvedi	4	No
Smt. Indu Liberhan	4	Yes
Shri Paresh Nath Sharma	4	Yes
Shri Rajendra Kumar Mishra	4	Yes
Shri Madan Mohan Varshney@	4	Yes
Shri Rajeev Sharma*	3	Yes
Shri A Raghvendra Rao^	--	--

@ Shri Madan Mohan Varshney was appointed as Additional Director and Whole-time Director w.e.f. 27/06/2020

\*Shri Rajeev Sharma was appointed as Additional Directors w.e.f 14.07.2020

^ Resigned from the Company w.e.f. 03/04/2020





Directorships and Committee Membership/Chairmanships in other Public Listed 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	2	-	-	1) Uflex Limited (Executive Chairman) 2) Flex Foods Limited (Non Executive Director)
Shri Paresh Nath Sharma	2	4	2	1) Singer India Limited (Independent Non-Executive) 2) Flex Foods Limited (Independent Non Executive Director)
Smt. Indu Liberhan*	2	4	2	1) Flex Foods Limited (Independent Non Executive Director) 2) Uflex Limited (Independent Non Executive Director)
Shri Rajendra Kumar Mishra	1	2	-	1) Flex Foods Limited (Independent Non Executive Director)
Shri Madan Mohan Varshney@	1	1	-	1) Flex Foods Limited (Executive Director)
Shri Rajeev Sharma*	1			1) Flex Foods Limited (Non-executive Director)
Shri A Raghvendra Rao^	--	--	--	--

@ Shri Madan Mohan Varshney was appointed as Additional Director and Whole-time Director w.e.f. 27/06/2020.

\*Shri Rajeev Sharma was appointed as Additional Directors w.e.f 14.07.2020 .

^ Resigned from the Company w.e.f. 03/04/2020

**(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, 2021, none of the Directors of the Company held shares or convertible instruments of the Company except Shri 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.

Company's Board of Directors possess the requisite Skills / Expertise / Competence. Shri Ashok Chaturvedi, Company's Chairman is the Chief Promoter of Company, who had set up the business himself being the first generation entrepreneur and has in depth knowledge in food business of the company.

Shri Madan Mohan Varshney, Whole-time Director of the Company, has served in the Company for last 13 years. He is having the depth knowledge of food processing /technology.

Smt. Indu Liberhan, Shri Paresh Nath Sharma, Shri Rajendra Kumar Mishra and Shri Rajeev Sharma have vast knowledge in Finance, Banking, Audit & Administration etc.

**(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/web link : https://www.flexfoodsltd.com/pdf/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Directors.pdf](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 from their respective dates of appointment. Their appointment has been 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 10th February, 2021 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](http://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-2020-2021.pdf>)

### 3 Audit Committee

During the year, the Audit Committee comprises of viz. Smt. Indu Liberhan, Shri Paresh Nath Sharma, Shri Rajendra Kumar Mishra and Shri Madan Mohan Varshney. Smt. Indu Liberhan is the Chairperson of the Audit Committee. All the members of the Audit Committee are Non-Executive Independent Directors, except Shri Madan Mohan Varshney who is Whole-time Director of the Company. Majority of members have accounting and financial management expertise.

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 read with Part-C of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Details of Meetings and Attendance

During the year, the Audit Committee met four times on 27th June, 2020, 17th August, 2020, 10th November, 2020 and 10th February, 2021. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Shri Paresh Nath Sharma	4	4
Shri Rajendra Kumar Mishra	4	4
Shri Indu Liberhan	4	4
Shri Madan Mohan Varshney	3	3

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 Manager 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 in whatever form for the directors, key managerial personnel and other employees

Presently the Nomination and Remuneration Committee consists of three members viz Shri Paresh Nath Sharma, Shri Rajendra Kumar Mishra and Smt. Indu Liberhan. All the members of the Nomination and Remuneration Committee are Non-Executive and Independent. Shri Paresh Nath Sharma (Chairman of the Nomination and Remuneration Committee) was present in the last Annual General Meeting held on 25th September, 2020. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met on 27th June, 2020. 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 for the year ended 31.03.2021 is given below:

(Rupees in lacs)

Name	Salary	Perquisites & Allowances	Commission (paid)	Total	Service Contract
Shri Madan Mohan Varshney@	59.79	4.26	-	64.05	3 years
Shri A Raghvendra Rao^	0.65	0.02	-	0.67	-

@ Shri Madan Mohan Varshney was appointed as Whole-time Director w.e.f. 27/06/2020

^ Resigned from the Company w.e.f. 03/04/2020

For any termination of contract, the Company or the Whole-time Director is required to give notice as per the Policy formulated by the Company to the other party in this regard.

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](http://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
Shri Ashok Chaturvedi	100000	-	100000
Shri Paresh Nath Sharma	100000	225000	325000
Shri Rajendra Kumar Mishra	100000	225000	325000
Smt. Indu Liberhan	100000	200000	300000
Shri Rajeev Sharma	75000	-	75000

## 6. Stakeholders' Relationship Committee

During the year, the Stakeholders' Relationship Committee consists of Shri Paresh Nath Sharma (Chairman), Shri Rajendra Kumar Mishra and Smt. Indu Liberhan. Shri A. Raghvendra Rao has resigned from the Company w.e.f. 03/04/2020 and was ceased to be a Member of Stakeholders' Relationship Committee. 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/ transmission, 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 10<sup>th</sup> September, 2020 and 22<sup>nd</sup> February, 2021. All the members had attended the meetings.

The total numbers of complaints received and resolved during the year under review were nil and the outstanding complaints as on 31.03.2021 were nil. There was no valid share transfer pending for registration for more than 10 days as on the said date.

Shri 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

During the year, the CSR committee has three members consisting of Shri Paresh Nath Sharma (Chairman), Shri Rajendra Kumar Mishra and Shri Madan Mohan Varshney. Shri A. Raghvendra Rao has resigned from the Company w.e.f. 03/04/2020 and was ceased to be a Member of Corporate Social Responsibility Committee.

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](http://www.flexfoodsltd.com) at weblink <https://www.flexfoodsltd.com/pdf/CSRPoly.pdf>.

The meeting of Corporate Social Responsibility Committee was held on February 09, 2021. All the members had attended the meeting.





The Company Secretary acts as the secretary of the 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
28 <sup>th</sup>	Thursday August 23, 2018 at 3:00 P.M.	Registered Office at: Lal Tappar Industrial Area P.O. Resham Majri Haridwar Road, Dehradun, Uttarakhand	1) Appointment of Shri A. Raghavendra Rao (DIN: 05116052) as Whole-time Director and fix his remuneration 2) Reappointment of Shri Pares Nath Sharma (DIN 00023625) as an independent Directors 3) Amendment to Article of Association of the Company
29 <sup>th</sup>	Monday , August 05, 2019 at 11.30 A.M.	Same as above	Reappointment of Shri Rajendra Kumar Mishra (DIN 07905342) as independent Directors
30 <sup>th</sup>	Friday, 25 <sup>th</sup> September, 2020 at 11.30A.M.	Through Video Conferencing/ Other Audio Visual Means (VC/OAVM)	Appointment of Shri Madan Mohan Varshney (DIN: 08349956) as Whole-time Director and fix his remuneration

(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](http://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**

With regard to delay in appointing sixth director in the Company w.e.f. 1st April, 2021, (Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) penalty of Rs.6,12,000 (Rupees Six Lacs Twelve Thousand Only) imposed by "The BSE" has been waived off vide their email dated 17th June, 2021.

**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](http://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, 2021 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 Rs 22 Lacs.

**o)** Disclosure 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 31.03.2021.

- 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:-

# 11. CEO/CFO Certifications

Shri Madan Mohan Varshney, Whole-time Director and Shri Naval Duseja, DY. General Manager (Finance & Account) CFO give 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 28.06.2021

# 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](http://www.flexfoodsltd.com) s (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](http://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 : 24.09.2021

Day : Friday

Time : 3:00 P.M.(Annual General Meeting through video conferencing /other audio visual means(VC/OAVM)) facility)

Deemed venue for meeting : Registered Office of the Company at Lal Tapper Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand

## (b) Tentative Financial Calendar

- Results for quarter ending 30.06.2021 By mid of August, 2021
- Results for quarter ending 30.09.2021: By mid of November, 2021



- Results for quarter ending 31.12.2021: By mid of February, 2022
- Results for quarter ending 31.03.2022: Last week of May, 2022

**(c) Book Closure date**

11 September, 2021 to 24 September, 2021 (both days inclusive)

**(d) Dividend payment date**

Dividend for the financial year 2020-2021, if declared will be paid/credited to the account of the shareholders on or after 24<sup>th</sup> September, 2021

**(e) Listing of Equity Shares on Stock Exchanges**

The equity shares are listed with the BSE Limited, Mumbai

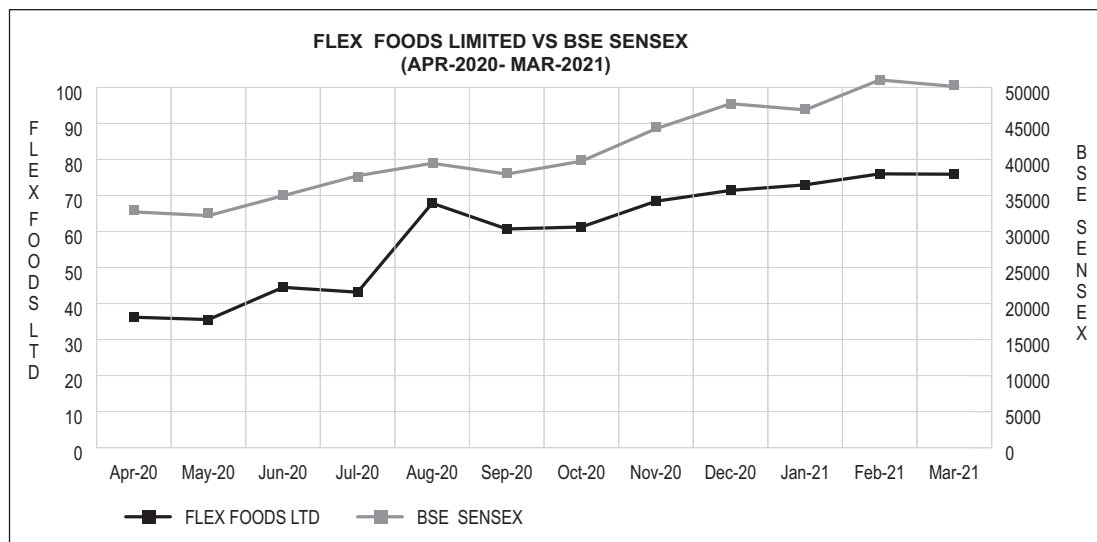
**Note :** Annual Listing fee have been duly paid to BSE Limited for the Year 2021-2022.

**(f) Stock Code - BSE Limited : 523672 (Equity shares)****(g) Demat ISIN Number in NSDL & CDSL : INE954B01018****(h) Stock Market Price for the year 2020-2021:**

Share prices on BSE Limited are as under:

(Rs.)

Month	High	Low
Apr-20	41.75	29.00
May-20	40.80	31.25
Jun-20	52.45	35.05
Jul-20	47.80	40.10
Aug-20	78.40	41.50
Sep-20	66.40	57.05
Oct-20	65.80	56.00
Nov-20	75.85	56.70
Dec-20	76.90	63.25
Jan-21	91.50	68.40
Feb-21	83.40	70.15
Mar-21	85.65	73.00

**(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**

The Company is complying the terms of the Listing Regulations, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior 1st April, 2019 and returned due to deficiency in the document. Shareholders are advised to dematerialise their shares held by them in physical form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

**(m) Distribution of Shareholding as on 31.03.2021**

Range	No. of Shareholders	No. of shares	% of total equity
1 - 500	11568	1424512	11.44
501-1000	548	449497	3.61
1001-2000	289	444181	3.57
2001-3000	80	199652	1.60
3001-4000	48	176662	1.42
4001-5000	38	177147	1.42
5001 -10000	37	271994	2.19
10001 – 20000	25	345309	2.77
Above 20000	20	8961046	71.98
<b>TOTAL</b>	<b>12653</b>	<b>12450000</b>	<b>100.00</b>

**(n) Categories of Shareholders as on 31.03.2021**

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
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>9</b>	<b>7429735</b>	<b>59.68</b>
(B)	Public Shareholding			
1	Institution	-	-	-
2	Non-Institution	12644	5020265	40.32
	<b>Total Public Shareholding</b>	<b>12644</b>	<b>5020265</b>	<b>40.32</b>
(C)	Non Promoter-Non Public	--	--	--
(C1)	Share Underlying DRs	--	--	--
(C2)	Shares /held by Employee Trusts	--	--	--
	<b>Total (A+B+C)</b>	<b>12653</b>	<b>12450000</b>	<b>100.00</b>

**(o) Dematerialization of Shares and liquidity**

Nearly 96.58% of total equity share capital is held in dematerialized form upto 31.03.2021 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

**(p) Plant Locations**

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

**(q) 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](mailto: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 : [secretarial@uflexltd.com](mailto:secretarial@uflexltd.com)

**15. Disclosure with respect to demat suspense account/unclaimed suspense account**

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

Sl 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.	21*	2300*
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	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year.	--	--

*\*2300 shares were transferred to IEPF during the year*

**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 28th June, 2021 and the same was approved.

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of Flex Foods Limited

We have examined the compliance of conditions of Corporate Governance by FLEX FOODS LIMITED ('the Company'), for the year ended 31st March, 2021 as per Regulations 17, 17A, 18, 19, 20, 22, 23, 25, 26, 27 and clause(b) to (i) of the Regulation 46(2) and paragraph C, D, E & F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Agreement').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an Expression of Opinion on the Financial Statements of the Company.

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 specified in Regulations 17, 17A, 18, 19, 20, 22, 23, 25, 26, 27 and clause(b) to (i) of the Regulation 46(2) and paragraph C, D, E & F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance 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.

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

**Dated : 28.06. 2021**  
**Place : NOIDA**

**MEGHA JAIN**  
**PARTNER**  
**MEMBERSHIP NO.415389**  
**UDIN No.- 21415389AAAAEZ5568**

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**DECLARATION**

**To the Members of**  
**Flex Foods Limited**

I Madan Mohan Varshney, 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, 2021 pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Flex Foods Limited**

**Madan Mohan Varshney**  
Whole-Time Director  
DIN: 08349956

**Dated : 28.06. 2021**  
**Place : NOIDA**

**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 Tapper 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 Tapper 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 our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://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 31<sup>st</sup> March, 2021 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.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
1	Shri Ashok Chaturvedi	00023452	05-02-1990
2	Shri Paresh Nath Sharma	00023625	26-05-2016
3	Smt. Indu Liberhan	03341420	16-08-2019
4	Shri Rajendra Kumar Mishra	07905342	16-08-2017
5	Shri Madan Mohan Varshney	08349956	27-06-2020
6	Shri Rajeev Sharma	08789214	14-07-2020

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.

**FOR MAHESH GUPTA AND COMPANY  
COMPANY SECRETARIES**

**MAHESH KUMAR GUPTA  
PROPRIETOR  
FCS NO.: 2870  
C P NO.: 1999  
UDIN:F002870C000525656**

**PLACE : DELHI  
DATE : 28 JUNE, 2021**





## ANNEXURE - D

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### FORWARD-LOOKING STATEMENTS

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### MACRO-ECONOMIC OVERVIEW

The global economy witnessed a health crisis with the outbreak of the COVID -19 pandemic, which took an extraordinarily heavy toll on the world economy during the year 2020-21. The outbreak of the pandemic completely disrupted the political, social, economic, religious, and financial structures of the world, and led to a sharp decline in global trade, lower commodity prices and tighter liquidity conditions. The contraction in GDP, seen in many countries, including India, was because of reduced economic activity and restricted mobility, due to COVID-19, as people curtailed discretionary spending and focused on essentials and precautionary savings due to the high level of uncertainty.

The COVID-19 virus threatened all that was taken for granted: mobility, safety, and a normal life itself. Governments around the world responded rapidly and boldly to stem the health and economic contagion of the crisis. Fiscal and monetary stimulus packages were quickly rolled out to save the economies. Although the global economic recovery began in the third quarter as countries around the world started to lift restrictions, but a second wave of virus hit earlier than expected in the fourth quarter of Year 2020, which dampened the recovery again. The imperative need to flatten the disease curve was entwined with the livelihood cost of an imminent recession, which emanated from the restrictions in economic activities, from the lockdown, required to contain the pandemic. The growth in India's real GDP during 2020-21 is estimated at -7.3 per cent as compared to the growth rate of 4.0 per cent in 2019-20 (Source: <http://mospi.nic.in/>).

Despite the pandemic, the Food Processing market size is projected to reach approximately USD 122.8 Billion by 2025 at a CAGR of 7.20% between 2019 and 2025. The growth of the market can be attributed to the increasing demand for processed foods across the globe. The focus on food safety and the institution of food quality regulations in various countries is leading food and beverage manufacturers to invest in high-quality processing equipment at their food processing units.

The rising demand for convenience foods, especially among the increasing working population, with hectic schedules, is contributing to the growth of the global food processing market. The global convenience food market was valued at approximately USD 245 Billion in 2018. The demand for processed food has resulted in the entry of a number of

new entrants in the food processing business. Technically advanced food processing manufacturing equipment is further boosting the growth of the market. Consumer preference for convenience foods such as ready-to-eat (RTE), ready-to-cook (RTC), and frozen foods, is boosting the food processing market growth. The RTE food sales were valued around USD 93 Billion in 2017. Moreover, the increasing demand for functional food and beverages is influencing food processors to not only invest in new but also technologically advanced equipment, as well as invest heavily in R&D, which in turn, for integration of health beneficial ingredients, is also fuelling the food processing market growth. (Source: <https://www.marketresearchfuture.com/>)

The future of the food processing market looks promising with opportunities in beverage, dairy, meat and poultry, convenience foods and snacks, fruits and vegetables, and seafood. The food processing industry is expected to reach an estimated US\$ 6.4 trillion by 2025 with a CAGR of 3% to 5% from 2020 to 2025. The major drivers for this market are an increasing demand for ready-to-eat food products, changing lifestyle, increase in nuclear families, and working women. Emerging trends, which have a direct impact on the dynamics of the industry, include development of food processing technologies that reduce detrimental changes in food and maintain the nutritional value. (Source: <https://www.lucintel.com/>).

The food processing industry forms a major part of India's economy owing to the variety of food products that the country harvests and further processes for consumption. India is the largest producer of milk, bananas, mangoes, guavas, papayas, ginger, and okra; second-largest producer of wheat, rice, fruit, vegetables, tea, sugarcane and cashew nuts, and the third-largest producer of cereals, coconut, lettuce, chicory, nutmeg, mace, cardamom and pepper, worldwide. Rising incomes and a growing demand for healthy, packaged food ensure that this industry is likely to sustain in all seasons, and the industry also receives growing support from the government.

#### INDUSTRY SCENARIO AND DEVELOPMENT

The global food processing industry is pegged at around USD 1.7 trillion. The United States of America (USA), China, Germany, Netherlands, and Japan are the top markets for the global processed food industry. Meat, beverages, fruit and nuts, fish, and cereals account for 43% of the total export. The USA, Netherlands, and Germany are major exporters of processed food.

The Indian food processing market is expected to double from USD 263 billion (2019-20) to USD 535 billion (2025). India is the world's fourteenth largest exporter of food products with approximately 2.6 per cent share in global exports (2010). India's food processing levels (<10 per cent) are much lower than its global counterparts. However, its strategic geographical location gives it a unique competitive edge when it comes to exports. With abundant raw material supply and a huge domestic market for processed food, the opportunities for the food processing industry are innumerable

and enormous. In recent times, rural and semi-urban India has been witnessing a growing demand for processed foods and the pandemic has further enhanced acceptability and demand for packaged food, snacks, dairy, and the ready-to-eat (RTE) segment. Demand for allied industries such as food processing equipment and food logistics is also likely to rise. India has the potential to be the food export hub in the post-Covid-19 era, and with the right interventions, can become the global leader in this industry. (Source: Indian food processing industry May 2021 - KPMG India)

The food processing sector is one of the largest sectors in India in terms of production, growth, consumption, and export. India's food processing sector covers fruit and vegetables; spices; meat and poultry; milk and milk products, alcoholic beverages, fisheries, plantation, grain processing, and other consumer product groups like confectionery, chocolates and cocoa products, soya-based products, mineral water, and high protein foods. The Indian food processing industry is primarily export oriented; it has reached a value of INR 30,938 Billion in 2020. (Source: <https://www.researchandmarkets.com/>).

The government of India has acknowledged the food processing sector as a high priority industry, and is currently promoting it with various fiscal reliefs and incentives. India's rich agricultural base has potential to add significant value to the food processing sector. Food processing industries are given high priority in India because of their great linkages in the development of many interrelated variables. The significance of food industries lies in the fact that they create employment opportunities, mobilize investible resources from the rural sector, promote agricultural production, make use of local resources, add value to the farm products, improve quality, achieve efficient marketing, combat rural-urban migration, and promote industrialization in an agricultural economy. The availability of raw material, changing life styles, and relaxation in regulatory policies, is fuelling the growth of this sector. The food processing industry is widely recognized as a 'Sunrise Industry' in India having huge potential for uplifting the agricultural economy.

## BUSINESS OVERVIEW

Food processing provides an opportunity to utilise excess production efficiently. Not just from an agricultural growth perspective, but it is also important for reducing food wastage as it increases shelf life and enhances quality. Thus, food processing has become an integral part of the food supply chain in the global economy, and India has also seen growth in this sector in the last few years. India's food processing sector is expected to reach US\$ 535 billion by 2025. The Indian food industry is expanding at a CAGR of 11% and the food processing sector accounts for 32% of the total food industry. Increase in urbanization is leading to growth in organized food retail sector. MSME's are playing a vital role in India's food processing chain through various advancements in skills and technology. The online food ordering business in India is witnessing an exponential growth. There is high demand for packaged, healthy and immunity booster snacks such as roasted nuts, popcorns, and roasted pulses. There is also a shift in focus from loose to branded packaging.

The Company is engaged in the business of manufacturing and export of a wide range of Vacuum Freeze Dried, Air-Dried,

Frozen and IQF (Individually Quick Frozen) product range of mushrooms, herbs, spices and fruit/ vegetables. Canned button mushroom in various shapes and sizes are 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 requirements. Retail packs of Culinary Herbs are also available in various varieties for Indian customers.

## Some key trends in which the Company operates are given here under:

- Increasing demand for mushrooms, rising focus on health and wellness, and increasing preference for organic product consumption are some key factors driving the growth of the global mushroom market. The rapidly expanding food service industry is boosting the demand for mushrooms across hotels, restaurants, and cafeterias. Further, growing demand for processed mushroom, especially across western countries, is generating export opportunities for major mushroom producing Asian countries.
- The global mushroom market size was valued at USD 46.1 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 9.5% from 2021 to 2028. The increasing vegan population demanding a protein-rich diet is expected to be a key factor driving the market. Mushrooms are considered a super-food owing to their nutritional contents, such as selenium, vitamin D, glutathione, and ergothioneine. Moreover, they offer a strong natural umami flavor, allowing consumers to reduce salt proportion by 30-40%, thereby benefitting the health. (Source: <https://www.grandviewresearch.com/>)
- With the changes in the consumption patterns of consumers towards a healthy and nutritious diet, the demand for fresh fruit and vegetables has been growing. The global frozen fruit and vegetable market reached a value of US\$ 24.6 Billion in 2020 and is exhibiting moderate growth during 2021-2026 . Frozen fruit and vegetables are rapidly gaining acceptance among consumers as they offer a wide range of advantages over fresh produce. The technique employed in freezing fruit and vegetables assists in retaining the colour, flavour, and nutritive value of these products. It slows down the decomposition by turning the residual moisture into ice, which prevents the growth of bacteria. Frozen fruit and vegetables are also immune to spoilage that occurs on account of vigorous transportation and exposure to light, heat, and dust. They offer numerous benefits which include low cost, easy preparation, and availability during the off-season. (Source: <https://www.imarcgroup.com/>)
- Globally, the top-5 exporting nations account for 34 per cent share in export of food products. India is the 14th largest exporter in the world, with only around 2 per cent share in the global export of food products. There is a significant potential for India's export of processed food to the top 10 global markets (53 per cent share in imports). Currently, India has a low share (less than 2 per cent) in these markets, and is significantly behind leaders such as



Brazil, Mexico, Netherlands and Germany. (Source: Indian food processing industry May 2021 - KPMG India)

## 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	1800	8722.57	1786	6882.04
Other	1191	1334.27	911	953.38
Total	2991	10057.84	2697	7835.42

## OPPORTUNITIES AND THREATS

The Indian food processing industry has seen significant growth and changes over the past few years, driven by changing trends in markets, consumer segments and regulations. These trends, such as changing demographics, growing population and rapid urbanisation, are expected to continue in the future, and therefore, will shape the demand for value added products, and thus for the food processing industry in India. Our country not only has the advantage of a huge domestic market but it also has abundant raw material. The increase in the size of the food processing market can be attributed to changing consumption patterns due to urbanization, changes in the gender composition of the workforce, and growing consumption rates.

### OPPORTUNITIES

- India has the distinct advantage of being one of the largest markets of consumer products in the world.
- Volume: It is the second-largest grower of fruit and vegetables (next only to China) as well as the largest grower of agriculture produce in the world.
- Huge production scope: Despite being a leader in produce, India has a minimal yet growing processed food base, thereby indicating that a huge opportunity exists in this sector.
- Large segments of the population: Unlike many other developed countries, India is a young nation, with a large population of adolescents, young adults, and middle-aged groups. This presents a business opportunity for designing several food products catering to different consumer groups.
- Rising awareness for healthy and organic products: The pandemic has renewed the interest of consumers in healthy living, controlled diet, and in reducing sugar and fat intake.

### FOOD PROCESSING INDUSTRY IN INDIA: KEY TRENDS

The market size of the food and beverage industry, across the nation, was estimated to be around US\$ 46 billion in 2020. Agro food processing remains an investment opportunity in Europe. There is continued investment in areas like biotechnological-agriculture, agricultural-robotics, and organic foods. The

farming market is expected to reach US\$ 7.8 billion by 2022, registering a CAGR of 14.9 per cent during the forecast period 2016 – 2022. (Source: <http://www.fnbnews.com/>)

- Growth of organized retail and increasing urbanization.
- MSMEs are playing a vital role in India's food processing chain through various advancements in skills and technology.
- The online food ordering business in India is witnessing an exponential growth.
- There is high demand for packaged, healthy, and immunity booster snacks.
- There is a shift in focus from loose to branded packaging.
- The government's 'Atmanirbhar Bharat' initiative places priority on this sector and offers support through various policies
- India is the sixth largest food and grocery market in the world.
- Revenue is expected to show an annual growth rate (CAGR 2020-2024) of 16.7%.
- India's organic food market is expected to increase by three times i.e. at a CAGR of over 25% during 2015-20. (Source: <https://www.maiervidorno.com/>)

### THREATS

- The Food Processing Industry in India is highly unorganized and is comprised mainly of Medium and Small Enterprises (MSMEs). There is a lack of investment in this sector.
- Excessive use of chemical fertilizers and intensive farming leads to degradation in the nutrient quality of the food.
- People nowadays are inclined towards organic food products, on which large companies in India have a monopoly. This needs to be expanded to rural areas too.
- Cost is a major factor because of which people cannot always afford processed and packaged food. Policies and technologies that help reduce the cost should be implemented.
- The number of cold storage facilities for fruit, vegetables, and meat and fish products, sponsored by the government, is very less, and not accessible to all cultivators
- Unprocessed foods are susceptible to spoilage by biochemical processes, microbial attack and infestation. The right post harvest practices such as good processing techniques, and proper packaging, transportation, and storage, can play a significant role in reducing spoilage and extending shelf life.
- The Indian Food Processing market is highly competitive in nature. The Company faces stiff competition both from the international as well as domestic players in the field.

### FUTURE OUTLOOK

The emerging markets (India, Indonesia, China, and Malaysia) will increasingly drive global growth. The market will be driven



by cost of raw material free of impurities like chemicals and pesticides. The increasing disposable income in emerging economies will drive demand for manufactured food products. The increased cost of raw material will impact cost of damages in case of pest infestation. This places a heightened need on businesses to action recommendations to prevent, reduce, and control pest infestations at pace. Hygiene features prominently in prerequisite programmes relating to personal hygiene and basic sanitation amongst others.

Food processing will continue to be impacted by multiple external factors, including economic trends, climate change, and demographic shifts, emerging power markets, new trade partnerships and world population growth predictions. Today's food supply chain is more globalised, longer and far more complex than ever before.

The sudden and significant spread of COVID 19 has thrown the food industry into a state of flux, due to fluctuating demand for food supplies. The challenges are numerous. However, the food processing industry was among the least impacted sectors across most segments except the meat and marine segment, which witnessed a negative impact due to supply chain issues. The acceptability of processed food products increased as customers focused on hygienic and easily available products with long shelf lives. The Indian food processing industry holds tremendous growth potential and has gained further impetus due to the pandemic. Going forward, India needs to recalibrate its strategy taking into account the opportunities created in both, domestic and export market.

## **RISKS AND CONCERNS**

In order to remain competitive and ensure sustainable success, the Company continuously monitors the macroeconomic environment and developments in the food processing industry as well as internal processes to identify risks. Risk management is an essential part of the internal control system of the Company and an active means to analyze and manage opportunities and threats related to the business strategy and operations. Risk may be caused by the Internal and External factors and the occurrence of certain catastrophic acts. These may impair the assets of the Company, which may adversely influence the achievement of organization strategies, operational and financial objectives, and earning capacity and financial position.

## **INTERNAL CONTROL SYSTEM, THEIR ADEQUACY AND OPERATIVE EFFECTIVENESS**

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the Management, within a framework of appropriate checks and balances as identification and monitoring the Internal Control System plays a crucial role in an organization. It has a well-established system of Internal Control including Internal Financial Controls, and its adequacy is constantly supervised by the Management. The Company has a robust internal control framework, which has been instituted considering the nature, size and risks in the business. The framework comprises, inter alia, a well-defined organisation structure, roles and responsibilities, documented policies and procedures, and financial delegation of authority.

Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. These policies are complimented by a management information and monitoring system, which ensures compliance with internal processes, as well as with applicable laws and regulations. The Company's internal control environment ensures efficient conduct of operations, security of assets, prevention and detection of frauds/ errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

The Company has a well-established independent in-house Internal Audit function that is responsible for providing assurance on compliance with operating systems, internal policies and legal requirements, as well as suggesting improvements to systems and processes. It has also identified and documented key internal financial controls for critical processes across plants, warehouses, and offices, wherein financial transactions are undertaken. The financial controls are evaluated for operating effectiveness through the management's ongoing monitoring and review process, and independently by Internal Audit.

The Head of Internal Audit reports functionally to the Audit Committee of the Company. Key internal audit findings are presented to the Audit Committee at its quarterly meetings. Most importantly, the senior management sets the tone at the top, of no tolerance to non-compliance, and promotes a culture of continuous innovation and improvement

## **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

The Company believes that the quality of employees is the key to its success and seeks to attract and retain the best talent available. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements. The Company provides an environment, which encourages initiatives and innovative thinking, and recognizes and rewards performance.

It operates in the food processing business, and necessary training and development of its personnel is conducted on a continuous basis. The Company continues to equip its employees with the skills to enable them to meet the growing organizational challenges. The relationship with employees has been cordial and operations at the factory uninterrupted. Measures for safety of employees, welfare and development, continue to receive top priorities. The Company's permanent employee strength stood at 432 as on March 31, 2021.

## **ENVIRONMENT, OCCUPATIONAL HEALTH, AND SAFETY**

The aim of the Company is to develop business, while improving its environmental performance, in order to create a more sustainable future. To achieve this, the Company continues to focus on measures for the conservation and optimal utilization of energy in all the areas of its operations. Factories are encouraged to consistently improve operational efficiencies, minimize consumption of natural resources and reduce water usage, energy usage, and carbon emissions, while maximizing production volumes. The Company is committed to conducting its operations with due regard to the environment, and providing a safe and healthy workplace for its employees. The collective endeavour of the 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.

## FINANCIAL CONDITIONS

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2021	March 31, 2020	Growth %
Land	1385.01	1385.01	-
Buildings	2318.75	2313.41	0.23
Plant and Equipment	10944.51	10815.43	1.19
Electrical Fittings & Installations	408.56	408.56	-
Office Equipments	100.90	98.66	2.27
ERP Software	32.49	32.49	-
Furniture & Fixtures	22.80	21.28	7.14
Vehicles	99.71	99.71	-
<b>Total</b>	<b>15312.73</b>	<b>15174.55</b>	-
Less: Acc. Depreciation	7673.63	7160.99	-
Add: CWIP	66.95	63.54	-
Net Fixed Assets	7706.05	8077.10	-

## 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, 2021		Year ended March 31, 2020	
	Amount	%	Amount	%
<b>INCOME</b>				
Revenue from operations	10297.58	97.66	8149.60	97.75
Other income	246.98	2.34	187.60	2.25
Total Revenue	10544.68	100.00	8337.20	100.00
<b>EXPENDITURE</b>				
Raw Material Consumed	2104.85	19.96	1594.70	19.13
Purchase of Stock in Trade	51.84	0.49	62.25	0.75

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Amount	%	Amount	%
(Increase)/ Decrease in stock	461.82	4.38	(347.88)	(4.17)
Change in Inventory of Biological Assets	11.68	0.11	(8.31)	(0.10)
Gain in Change in fair value of Biological Assets	0.84	0.01	(3.39)	(0.04)
Manufacturing Exp.	2375.29	22.53	2295.58	27.53
Payment and Benefit to Emp.	1757.13	16.66	1863.09	22.35
Administrative, Selling and Other Expenses	1508.77	14.31	1520.14	18.23
Operating Expenses	8272.22	78.45	6976.18	83.68
EBDIT	2272.44	21.56	1361.02	16.32

## 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 2020-21	FY 2019-20	Change	Reason for change
Debt Equity Ratio	0.14	0.18	-21%	Due to decrease in borrower funds, term-loan and unsecured loans repaid during FY 2020-21
Operating Profit Margin	21.60	16.30	32%	Due to increased in exports and foreign exchange fluctuations
Net-Profit Margin	11.40	8.10	40%	Due to increased in exports and foreign exchange fluctuations
Return on Net-worth	11.80	7.20	63%	Due to increased in exports and foreign exchange fluctuations



## ANNEXURE 'E'

### PARTICULARS OF REMUNERATION

**Pursuant to Sec. 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(12) of the Act and the Rules made there-under, in respect of the Company as follows:-

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

<b>Non-Executive Director</b>	<b>Ratio to Median Remuneration</b>
Shri Ashok Chaturvedi	0.46
Smt. Indu Liberhan	1.39
Shri Rajendra Kumar Mishra	1.51
Shri Paresh Nath Sharma	1.51
Shri Rajeev Sharma (w.e.f. 14.07.2020)	0.35
<b>Executive Director</b>	
Shri Madan Mohan Varshney (w.e.f. 27.06.2020)	29.78
Shri A. Raghvendra Rao ( up to 03.04.2020)	0.31

- (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;

<b>Name of Person</b>	<b>% Increase in Remuneration</b>
<b>Non-Executive Director</b>	
Shri Ashok Chaturvedi	-33.33
Smt. Indu Liberhan	100.00
Shri Rajendra Kumar Mishra	-7.14
Shri Paresh Nath Sharma	-7.14
Shri Rajeev Sharma (w.e.f. 14.07.2020) *	N.A.
<b>Executive Director</b>	
Shri A. Raghvendra Rao (Whole Time Director)*	-99.16
Shri Madan Mohan Varshney (Whole Time Director) (w.e.f. 27.06.2020) #	N.A.
<b>Key Managerial Personnel (KMP)</b>	
Shri Naval Duseja (CFO)	-1.01
Shri Rajesh Dheer (Company Secretary)	-5.63

\* Shri Rajeev Sharma was appointed as Director during the financial year 2020-21, therefore, it is not possible to ascertain % increase in remuneration.

# Shri Madan Mohan Varshney was appointed as Whole-time Director during the financial year 2020-21, therefore, it is not possible to ascertain % increase in remuneration.

- (c) **The percentage increase in the median remuneration of employees in the financial year:** -3.79%
- (d) **The number of permanent employees on the rolls of company**

As on 31.03.2021 employees are 432. However, the data taken for calculation of median remuneration of the employee is 456.

- (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 2020-21 was NIL. Percentage increase in the managerial remuneration for the year was -19.27%

- (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. However, due to uncertainty created by widespread of COVID-19 pandemic, the Company could not carry out its annual appraisal process for the financial year 2019-20.





## **ANNEXURE 'F'**

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.

### **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, further installed Intercooler VFD and automatic load management system in Freeze Drying, refrigerated compressor have resulted in, significant cost savings & increased level of awareness amongst the employees.

Company is continuously maintaining grade AA, for Global Standard for Food safety (formerly BRC).

Company is on continuous basis having, Halal certification for supplying its products, permissible & lawful as per traditional Islamic laws.

### **ABSORPTION TECHNOLOGY**

#### **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, Green Cabbage, Red cabbage, Kale, Mango, Ginger, Pumpkin, Potato, Spring Onion and Air-Dried Pumpkin, Beet Root.

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

Freeze-dried Chives, Mango, Potato, Green Cabbage, Red cabbage, Spring Onion Kale and Air-Dried Pumpkin, Beet Root is being taken into budget for the F.Y 2021-22.

##### **iii) Future Plan of Action**

- a) Steps are continuously being taken for innovation and renovation of products including new product development Freeze-Dried Chives, Green Cabbage, Red cabbage, Kale, Mango, Ginger, pumpkin, potato, Spring Onion and Air-Dried Pumpkin, Beet Root
- b) New Air Handling Unit (AHU) (4 no as a trial) are being installed & commissioned which will give better yield of fresh mushroom at mushroom farm in growing rooms, the same will be replicated in other rooms for further increasing production F.Y 2021-22
- c) Training programme has been initiated for farmers for growing of Organic & Conventional 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, further resulting significant energy saving.

### **FOREIGN EXCHANGE EARNING AND OUTGO**

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.

During the year company has exported manufactured goods calculated on FOB basis amounting Rs 7184.76 lacs. The expenditure incurred in Foreign Exchange(including value of imports) during the year amounted to Rs. 165.09 lacs

**For & On behalf of the Board**

Place : NOIDA  
Dated : 28 June, 2021

**Ashok Chaturvedi**  
Chairman  
(DIN 00023452)



**ANNEXURE 'G'**  
**SECRETARIAL COMPLIANCE REPORT OF FLEX FOODS LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

I **Mahesh Kumar Gupta** have examined:

- a) all the documents and records made available to us 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 **31<sup>st</sup> March, 2021** ("**Review Period**") in respect of compliance with the provisions of:
  - i. the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued thereunder; and
  - ii. 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, 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, 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
1.	Regulation 17(1) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015	Regulation 17(1) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 provide that Top 2000 companies shall have six Directors on the Board w.e.f. 1 <sup>st</sup> April, 2020. However, Company appointed sixth Director on the Board on 14 <sup>th</sup> July, 2020.	The appointment of Sixth Director on the Board was delayed on account of Covid health emergency and consequent lock-down w.e.f. 25 <sup>th</sup> March, 2020. The process got delayed. The BSE has imposed a penalty of Rs.5,20,000/-+GST for the non-compliance which upon representation of the Company was waived off by BSE vide email dated 17 <sup>th</sup> June, 2021.



- 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
1	The Stock Exchange (The BSE Limited)	Non-compliance with the requirements of the composition of Board of Directors for the quarter ended 30 <sup>th</sup> June, 2020 & 30 <sup>th</sup> September, 2020	The Company has paid a fine of Rs.5,20,000/- +GST totaling to Rs.6,13,600/-	The appointment of Sixth Director on the Board was delayed on account of Covid health emergency and consequent lock-down w.e.f. 25 <sup>th</sup> March, 2020. The process got delayed. The BSE has imposed a penalty of Rs.5,20,000/- +GST for the non-compliance which upon representation of the Company was waived off by BSE vide email dated 17 <sup>th</sup> June, 2021.

- 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 31 <sup>st</sup> March 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	None			

- e) The Listed Entity has suitably modified the terms of appointment of its present statutory auditors to give effect to para 6(A) and 6(B) of SEBI Circular dated October 18, 2019 bearing no. CIR/CFD/CMD1/114/2019.

For Mahesh Gupta & Company  
Company Secretaries

Mahesh Kumar Gupta  
Proprietor

FCS 2870::CP 1999

UDIN: **F002870C000525733**

Date : 28<sup>th</sup> June, 2021  
Place : Delhi

**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 31<sup>st</sup> March 2021, 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 31<sup>st</sup> March, 2021, 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.

<b>Sr.No</b>	<b>Key Audit Matters</b>	<b>Auditor response</b>
1.	<b>Evaluation of uncertain tax positions</b> The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 32 to the Financial Statements	<b>Principal Audit Procedures</b> Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. 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, 2020 to evaluate whether any change was required to management's position on these uncertainties.
2.	<b>Assessment of the Impact of Corona Virus Disease (COVID-19) on the financial statement.</b> On account prevalent financial, economic and health crisis caused due to global pandemic-COVID-19, the Company has not been materially impacted by the corona virus as of now. Since, Company's business falls within the category of manufacturing of essential commodities, therefore company has not seen any material impacts on its business activities for the financial year under report. Refer Note No. 39 to the Financial Statement.	<b>Principal Audit Procedures</b> As part of the audit we have carried out following procedures: <ol style="list-style-type: none"> <li>1. We have reviewed the turnover and the profitability of the company as at end of the current financial statements and upto the date of signing of financial statements.</li> <li>2. Obtained an understanding of the process and testing of the operating effectiveness of the internal controls over the impairment.</li> <li>3. We have also evaluated the recoverability of the trade receivables.</li> <li>4. We evaluated disclosures related to management assessment on impact of COVID-19 for the continuity of operations.</li> </ol>

**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 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) There is no matter or transaction that in our opinion 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**

**MEGHA JAIN  
PARTNER**

**Place : NOIDA  
Dated : 28.06.2021**

**MEMBERSHIP NO. 415389  
UDIN No. 21415389AAAAEY2237**





## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

Referred to in paragraph1(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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021, 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**

**MEGHA JAIN  
PARTNER**

**Place : NOIDA  
Dated : 28.06.2021**

**MEMBERSHIP NO. 415389  
UDIN No. 21415389AAAAEY2237**

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF "FLEX FOODS LIMITED" ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

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 31<sup>st</sup> March 2021, 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 including investment property 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 interest bearing secured or unsecured loans to the company 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 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 31<sup>st</sup> March 2021 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 except dues of Customs and central excise which have not been deposited as at March 31, 2021 on account of dispute are given below:

Disputed Customs and Central Excise Dues: Aggregate Duty of Rs 526.96 Lakhs, pending before CESTAT New Delhi.

- 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. Further, no amount is due to debenture holders.
- 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 during the year.
- 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**

**MEGHA JAIN  
PARTNER**

**Place : NOIDA  
Dated : 28.06.2021**

**MEMBERSHIP NO. 415389  
UDIN No. 21415389AAAAEY2237**



## BALANCE SHEET AS AT 31ST MARCH, 2021

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>I ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Property, Plant and Equipment	2(A)	7,637.94	8,013.45
b) Capital work-in-progress		66.95	63.54
c) Investment Property	2(B)	1.17	-
d) Intangible assets	2(C)	-	0.11
e) Financial assets			
Loans & Security Deposits	3(A)	155.74	151.00
f) Other Non-Current Assets	5(A)	346.76	307.33
<b>Total Non-Current Assets</b>		<b>8,208.56</b>	<b>8,535.43</b>
<b>2 Current Assets</b>			
a) Inventories	6	2,003.91	2,391.69
b) Biological Asset	7	49.93	61.61
c) Financial assets			
i) Trade Receivables	8	2,565.06	1,056.12
ii) Cash and Cash Equivalents	9	496.25	398.03
iii) Bank Balances other than (ii) above	10	773.29	215.35
iv) Loans & Security Deposits	3(B)	59.53	165.50
v) Other financial assets	4	23.49	20.11
d) Other Current Assets	5(B)	694.42	1,043.06
<b>Total Current Assets</b>		<b>6,665.88</b>	<b>5,351.47</b>
<b>TOTAL ASSETS</b>		<b>14,874.44</b>	<b>13,886.90</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	11(A)	1,245.00	1,245.00
b) Other equity	11(B)	9,348.22	8,222.44
<b>Total Equity</b>		<b>10,593.22</b>	<b>9,467.44</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a) Deferred Government Grants	12	162.33	178.19
b) Financial liabilities			
Borrowings	13(A)	-	316.40
c) Provisions	14(A)	114.07	126.32
d) Deferred Tax Liabilities(Net)	15	595.12	609.01
<b>Total Non-current liabilities</b>		<b>871.52</b>	<b>1,229.92</b>
<b>2 Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	13(B)	1,415.67	1,185.86
ii) Trade Payables:	16		
Total Outstanding dues of micro enterprises and small enterprises		177.81	61.50
Total Outstanding dues of creditors other than micro enterprises and small enterprises		546.33	811.47
iii) Other financial Liabilities	17	218.46	388.88
b) Other current liabilities	19	325.03	312.35
c) Provisions	14(B)	433.79	429.48
d) Current tax liabilities(Net)	18	292.61	-
<b>Total Current liabilities</b>		<b>3,409.70</b>	<b>3,189.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,874.44</b>	<b>13,886.90</b>

## III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41

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

M.M. Varshney  
Whole Time Director  
DIN - 08349956

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

Rajesh Dheer  
Company Secretary

Naval Duseja  
Chief Financial Officer

Megha Jain  
Partner  
Membership No. 415389

Place : Noida  
Dated : 28<sup>th</sup> June, 2021



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Income</b>			
I Revenue from Operations	20	10,297.68	8,149.60
II Other Income	21	246.98	187.60
III <b>Total Income</b>		<b>10,544.66</b>	<b>8,337.20</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	22	2,104.85	1,594.70
Purchases of Stock in Trade		51.84	62.25
Changes in inventories of Finished Goods ,Work-In-Progress and stock-in-trade	23(A)	461.82	(347.88)
Changes in inventory of Biological Asset	23(B)	11.68	(8.31)
Gain from Change in Fair Value of Biological Assets	7	0.84	(3.39)
Employee benefits expenses	24	1,757.13	1,863.09
Finance Cost	25	209.67	248.92
Depreciation and Amortization Expenses	2(A) & (B)	521.64	541.91
Manufacturing Expenses	26	2,375.29	2,295.58
Administration and Selling Expenses	27	1,508.77	1,520.14
<b>Total Expenses</b>		<b>9,003.53</b>	<b>7,767.01</b>
V <b>Profit before tax (III-IV)</b>		<b>1,541.13</b>	<b>570.19</b>
VI <b>Tax expense:</b>			
(1) Current tax		371.62	48.32
(2) Deferred Tax Liability		(13.89)	(83.80)
(Add): Excess Provision of Income Tax for earlier year		(16.11)	(73.28)
<b>Total Tax Expenses (VI)</b>		<b>341.62</b>	<b>(108.76)</b>
VII <b>Profit for the Period (V-VI)</b>		<b>1,199.51</b>	<b>678.95</b>
VIII <b>Other Comprehensive Income</b>			
<i>Item that will not be reclassified to Profit or Loss</i>			
Remeasurement of the net Defined benefit liability/ Assets		19.65	(27.02)
Less: Income Tax on Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period (VII+VIII)</b>		<b>1,219.16</b>	<b>651.93</b>
IX Earnings per equity share:			
(1) Basic	28	9.63	5.45
(2) Diluted	28	9.63	5.45

## X NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41

For and on behalf of the Board of Directors

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

Ashok Chaturvedi  
Chairman  
DIN -00023452

M.M. Varshney  
Whole Time Director  
DIN - 08349956

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

Rajesh Dheer  
Company Secretary

Naval Duseja  
Chief Financial Officer

Megha Jain  
Partner  
Membership No. 415389

Place : Noida  
Dated : 28<sup>th</sup> June, 2021



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2021

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax		1,541.13	570.19
<b>Adjustments for :</b>			
Depreciation and Amortization		521.64	541.91
Deferred Income on Capital Subsidy		(15.86)	(16.43)
Exchange Rate Fluctuations (Net)		(136.06)	(146.85)
Interest expenses		209.67	248.92
Provision for doubtful debts		1.47	9.09
Sundry Debit Balances Written Off		44.29	9.23
Sundry Credit Balances Written Back		(4.35)	(6.58)
Loss/(Profit) on Sale of Fixed Assets (Net)		-	(0.98)
Interest Income		(40.23)	(30.17)
<b>Operating Profit before Working Capital Changes</b>		<b>2,121.70</b>	<b>1,178.33</b>
<b>Adjustments for :</b>			
(Increase)/Decrease in Inventories		387.78	(328.11)
(Increase)/Decrease in Inventories of Biological Asset		11.68	(8.31)
(Increase)/Decrease in Trade Receivables, Current Financial Assets & Other Current Assets		(1,099.12)	387.69
(Increase)/Decrease in Non Current Financial Assets & Other Non Current Assets		(44.17)	(13.90)
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities & Current Provisions		133.21	264.09
Increase/(Decrease) in Non Current Provisions		(12.25)	11.95
		<b>1,498.83</b>	<b>1,491.74</b>
<b>Cash Generated From Operating activities</b>			
Income Tax paid		(355.51)	24.96
Exchange Rate Fluctuations (Net)		136.06	146.85
<b>Net Cash Generated From Operating Activities</b>		<b>1,279.38</b>	<b>1,663.55</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment, Capital Work-In -Progress & Investment property		(164.23)	(256.01)
Proceeds from Sale of Property ,Plant & Equipment		13.62	3.24
Interest Received		40.23	30.17
<b>Net cash used in Investing Activities</b>		<b>(110.38)</b>	<b>(222.60)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of non Current Borrowing (Net)		(316.40)	(514.91)
Proceeds from Current Borrowing (Net)		105.01	(421.76)
Dividend Paid (Previous period includes Dividend Distribution Tax)		(93.38)	(150.09)
Interest & Finance charges		(208.07)	(210.03)
<b>Net cash used in Financing Activities</b>		<b>(512.84)</b>	<b>(1,296.79)</b>
Net increase in Cash & Cash Equivalents	(I+II+III)	656.16	144.16
Cash & Cash Equivalents at beginning of the year	9 & 10	613.38	469.22
<b>Cash &amp; Cash Equivalents at end of the year #</b>	9 & 10	<b>1,269.54</b>	<b>613.38</b>

**Note:**

# Includes Rs.773.29 lacs (Previous Year Rs.215.35 lacs) in respect of amount lying in unclaimed dividend account, Demand Deposits more than 3 months, margin money for bank guarantee.

**IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41**

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

M.M. Varshney  
Whole Time Director  
DIN - 08349956

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

Rajesh Dheer  
Company Secretary

Naval Duseja  
Chief Financial Officer

Megha Jain  
Partner  
Membership No. 415389

Place : Noida  
Dated : 28<sup>th</sup> June, 2021

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Equity Share Capital	Other equity				Total Equity & Other Equity
		Reserve & surplus		Other Comprehensive Income	Total	
		Retained Earnings	General Reserve			
Balance as at April 1, 2019	1,245.00	6,782.13	1,007.84	(69.37)	7,720.60	8,965.60
<b>Changes in equity during the year</b>						
Dividend Paid	-	(124.50)	-	-	(124.50)	(124.50)
Dividend Distribution Tax Paid	-	(25.59)	-	-	(25.59)	(25.59)
Remeasurement of the net defined benefit liability/assets, (net of tax )	-		-	(27.02)	(27.02)	(27.02)
Profit for the Period	-	678.95	-		678.95	678.95
<b>Balance as at March 31, 2020</b>	1,245.00	7,310.99	1,007.84	(96.39)	8,222.44	9,467.44
<b>Balance as at April 1, 2020</b>	1,245.00	7,310.99	1,007.84	(96.39)	8222.44	9,467.44
<b>Changes in equity during the year</b>						
Dividend Paid	-	(93.38)	-	-	(93.38)	(93.38)
Remeasurement of the net defined benefit liability/assets, (net of tax )	-		-	19.65	19.65	19.65
Profit for the Period	-	1,199.51	-		1199.51	1,199.51
<b>Balance as at March 31,2021</b>	1,245.00	8,417.12	1,007.84	(76.74)	9,348.22	10,593.22

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41**

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

M.M. Varshney  
Whole Time Director  
DIN - 08349956

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

Rajesh Dheer  
Company Secretary

Naval Duseja  
Chief Financial Officer

Megha Jain  
Partner  
Membership No. 415389

Place : Noida  
Dated : 28<sup>th</sup> June, 2021



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****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 amend 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, revenue is recognized with Gross Amount 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 profit or loss.

Depreciation on all property, plant & equipment are provided for, 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, except for the for the following, where the management believes that technical useful lives is different from those prescribed in Schedule II of the Company Act, 2013 based on technical evaluation

Particulars	Description
Plastic Crate JR-85425 (useful life of 6 Year)	Over the useful life as technically specified by the management based on the past experience

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 profit & loss.

##### **Reclassification to investment property:**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

#### **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.
- (vi) The fair value of the investment properties are disclosed in the note.

#### 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 method arrived at after including freight inward and other expenditure directly attributable to acquisition or net realisable value.
- (iv) Inventories of traded goods are valued at lower of cost based on First in First Out (FIFO) method, after including any direct expenses incurred thereon or net realizable 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 discharge 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 account.
- (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.

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. LEASES

### The Company as a Lessee

The Company's lease asset classes primarily consist of leases for land and Office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. 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 Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the Company. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

#### **The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **T. 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.

### **U. 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 .



**V. 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.

**W. 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.

**X. 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" .

**Y. CLAIMS BY/AGAINST THE COMPANY**

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

**Z. 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.

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

During the year, Ministry of Corporate Affairs vide its notification dated 24th July' 2020 has made amendments in various Indian Accounting Standards (Ind AS).

The company has adopted amendments in all the Indian Accounting Standards (Ind AS) that are notified by the Ministry of Corporate Affairs and that are relevant to its operations and effective for the financial year beginning on or after 1st April 2020 to the extent it is applicable on the company.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**  
**Note No-2(A) Property, Plant and Equipment**

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2020	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2021	As At 01-04-2020	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2021
1	Freehold Land	1,385.01	-	1.17	1,383.84	-	-	-	-
2	Building	2,253.72	4.47	-	2,258.19	1,034.53	78.18	-	1,112.71
	-Factory	59.69	0.87	-	60.56	37.44	1.37	-	38.81
	-Administration	10,815.43	151.72	22.63	10,944.52	5,624.26	402.29	9.01	6,017.54
3	Plant & Equipment	21.28	1.52	-	22.80	14.11	1.45	-	15.56
4	Furniture & Fixtures	99.71	-	-	99.71	82.23	5.36	-	87.59
5	Vehicles	98.66	2.24	-	100.90	76.23	7.28	-	83.51
6	Office Equipments	408.56	-	-	408.56	259.81	25.61	-	285.42
7	Electrical Installation	15,142.06	160.82	23.80	15,279.08	7,128.61	521.54	9.01	7,641.14
	<b>SUB TOTAL (2A)</b>	14,894.97	268.50	21.41	15,142.06	6,606.22	541.54	19.15	7,128.61
	<b>PREVIOUS YEAR</b>								

**Note No-2(B) Investment Property**

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2020	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2021	As At 01-04-2020	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2021
1	Freehold Land	-	1.17	-	1.17	-	-	-	-
	<b>TOTAL(2B)</b>	-	1.17	-	1.17	-	-	-	-
	<b>PREVIOUS YEAR</b>								

**Notes:-**

- 1 Fair value of the Investment property is of Rs 83.77 lacs as valued by Independent government approved valuer and engineer.
- 2 The Land have been transferred during the year from owner occupied property to Investment property at its carrying value of Rs. 1.17 Lacs as at 01 April'2020 as per Ind AS 40" Investment Property" held for capital appreciation due to undetermined future use.
- 3 No amount have been recognised in Statement of Profit and Loss related to Investment Property during the year.

**Note No-2(C) Intangible assets**

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2020	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2021	As At 01-04-2020	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2021
	Software	32.49	-	-	32.49	32.38	0.11	-	32.49
	<b>TOTAL (2C)</b>	32.49	-	-	32.49	32.38	0.11	-	32.49
	<b>PREVIOUS YEAR</b>	32.49	-	-	32.49	32.01	0.37	-	32.38


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**3 LOANS & SECURITY DEPOSITS**
**( Rs. In Lacs)**

Particulars	As At 31.03.2021	As At 31.03.2020
<b>A Non-Current</b>		
<b><u>(Unsecured, Considered Good)</u></b>		
a) Security Deposits	154.24	148.25
b) Loans/Advances to Employees	1.50	2.75
<b>Total (A)</b>	<b>155.74</b>	<b>151.00</b>
<b>B Current</b>		
<b><u>(Unsecured, Considered Good)</u></b>		
a) Security Deposits	51.23	53.50
b) Loans/Advances to Employees	8.30	12.00
c) Loan to Company	-	100.00
<b>Total (B)</b>	<b>59.53</b>	<b>165.50</b>
<b>Total (A+B)</b>	<b>215.27</b>	<b>316.50</b>

**4 OTHER FINANCIAL ASSETS**
**Current**

a) <u>Interest Recoverable</u>				
i) On Fixed Deposits with Banks	17.67		7.40	
ii) Others	5.82	23.49	12.71	20.11
<b>Total</b>		<b>23.49</b>		<b>20.11</b>

**5 OTHER ASSETS**
**A Non-Current**

a) Capital Advances	346.76	241.35
b) Advance Income Tax (Net)	-	65.98
<b>Total (A)</b>	<b>346.76</b>	<b>307.33</b>

**B Current**

a) Advances Recoverable in Cash or In kind or for Value to be Received	343.30	532.43
b) Balances with GST Authorities	245.12	390.05
c) Balances with Excise Authorities	28.02	27.76
d) Income Tax Assets (Net)	77.98	92.82
<b>Total (B)</b>	<b>694.42</b>	<b>1,043.06</b>
<b>Total (A+B)</b>	<b>1,041.18</b>	<b>1,350.39</b>

**6 INVENTORIES**

a) Raw Material	119.71	59.54
b) Work-in-progress	697.13	471.92
c) Finished Goods	1,022.34	1,705.72
d) Stock in Trade	7.36	11.01
e) Stores & Spares	90.73	75.99
f) Packing Material	66.64	67.51
<b>Total</b>	<b>2,003.91</b>	<b>2,391.69</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**7 BIOLOGICAL ASSETS (Rs. In Lacs)**

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Current</b>		
Mushroom Under cultivation	49.93	61.61
	<b>49.93</b>	<b>61.61</b>
<b>Reconciliation of changes in carrying amount of Biological Assets</b>		
Opening balance	61.61	53.30
Add: Gain arising from change in fair value	(0.84)	3.39
Add: Increase due to physical changes / transfer from immature	1,900.87	2,456.39
Less: Decrease due to harvest	(1,911.71)	(2,451.47)
Closing Balance	<b>49.93</b>	<b>61.61</b>

**8 TRADE RECEIVABLES****Current****Unsecured**

Considered Good	2,565.06	1,056.12
Considered Doubtful	10.86	17.48
	2,575.92	1,073.60
Less: Allowances for bad and doubtful trade receivables	10.86	17.48
<b>Total</b>	<b>2,565.06</b>	<b>1,056.12</b>

**Movements in allowance for bad and doubtful Trade receivable:**

<b>Opening Balance</b>	<b>17.48</b>	<b>8.39</b>
<b>(+) Provision made during the year</b>	<b>1.47</b>	<b>9.09</b>
<b>(-) Amount utilised from provision</b>	<b>8.09</b>	<b>-</b>
<b>Closing Balance</b>	<b>10.86</b>	<b>17.48</b>

**9 CASH & CASH EQUIVALENTS****Cash and Cash Equivalents**

i) Balances with Banks ( in Current accounts)	361.55	277.28
ii) Demand deposits with maturity before 3 months	120.04	112.98
iii) Cash on Hand	14.66	7.77
<b>Total</b>	<b>496.25</b>	<b>398.03</b>

**10 BANK BALANCES OTHER THAN ABOVE**

i) Demand deposits with maturity after 3 months	667.76	111.29
ii) Earmarked Balances		
- Unclaimed Dividend Account	75.60	85.22
iii) Margin Money*	29.93	18.84
<b>Total</b>	<b>773.29</b>	<b>215.35</b>

\* Pledged against guarantee

**11(A) EQUITY SHARE CAPITAL**

(Rs. In Lacs)

(i) <b>Share Capital</b>	<b>As At 31.03.2021</b>		<b>As At 31.03.2020</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
<b>Authorised Capital</b>				
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
		2,000.00		2,000.00
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each	1,24,50,000	1,245.00	1,24,50,000	1,245.00
<b>Total</b>	<b>1,24,50,000</b>	<b>1,245.00</b>	<b>1,24,50,000</b>	<b>1,245.00</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## (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	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,24,50,000</b>	<b>1,245.00</b>	<b>1,24,50,000</b>	<b>1,245.00</b>

## (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 31.03.2021		As At 31.03.2020	
	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
<b>Total</b>	<b>71,22,630</b>	<b>57.21</b>	<b>71,22,630</b>	<b>57.21</b>

## (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

(Rs. In Lacs)

Particulars	Reserve & surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve		
<b>Balance as at April 1,2019</b>	<b>6,782.13</b>	<b>1,007.84</b>	<b>(69.37)</b>	<b>7,720.60</b>
<b>Changes in equity during the year</b>				
Transfer to general reserve	-	-	-	-
Dividend Paid	(124.50)	-	-	(124.50)
Dividend Distribution Tax Paid	(25.59)	-	-	(25.59)
Remeasurement of the net defined benefit liability/ assets, (net of tax )	-	-	(27.02)	(27.02)
Profit for the Period	678.95	-	-	678.95
<b>Balance as at March 31,2020</b>	<b>7,310.99</b>	<b>1,007.84</b>	<b>(96.39)</b>	<b>8,222.44</b>
<b>Balance as at April 1,2020</b>	7,310.99	1,007.84	(96.39)	8,222.44
<b>Changes in equity during the year</b>				
Transfer to general reserve	-	-	-	-
Dividend Paid	(93.38)	-	-	(93.38)
Remeasurement of the net defined benefit liability/ assets, (net of tax )	-	-	19.65	19.65
Profit for the Period	1,199.51	-	-	1,199.51
<b>Balance as at March 31,2021</b>	<b>8,417.12</b>	<b>1,007.84</b>	<b>(76.74)</b>	<b>9,348.22</b>

## 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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(Rs. In Lacs)

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Capital Subsidy on</b>		
a) Cold Storage	1.14	2.86
b) Individually Quick Frozen and Air Dried Plant	34.20	38.58
c) Cold Storage (New)	65.30	71.18
d) Freeze Drying Cabinet	57.11	60.62
e) Zig Zag Classifier	20.44	21.38
	178.19	194.62
<b>Less: Deferred Income Apportioned to Statement of Profit &amp; Loss</b>		
a) Cold Storage	1.14	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	3.52	3.51
e) Zig Zag Classifier	0.94	0.94
	15.86	16.43
<b>Total</b>	<b>162.33</b>	<b>178.19</b>

## 13 BORROWINGS

## A Non Current

## SECURED

Term Loan from Banks	122.70	-	363.90	-
Less :-Current Maturities of Long-Term Debt	122.70	-	247.50	116.40

[Refer Note No.17(a)]

## UNSECURED

Loan from Others	-	200.00
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<b>Total Borrowings</b>	<b>316.40</b>
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## B Current

## SECURED

## Working Capital Facilities

From - Canara Bank	1,333.92	1,045.86
From - Indian Bank	81.75	-
	<b>1,415.67</b>	<b>1,045.86</b>

## UNSECURED

Loan from Related parties	-	140.00
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	-	140.00
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<b>Total Borrowings</b>	<b>1,415.67</b>	<b>1,185.86</b>
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## Note:

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

(Rs. In Lacs)

Name of the Bank	Sanctioned Amount	O/S As At 31.03.2020	Current Portion	Long Term	Repayment Terms
Indian Bank	1,650.00	122.70	122.70	-	Repayable in 20 Quarterly installments of Rs.82.50 Lacs each starting from June 2016.
Previous Year	(1,650.00)	(363.90)	(247.50)	(116.40)	

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 Jogiwalla (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 Jogiwalla (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, 2021

<b>14 PROVISIONS</b>	<b>( Rs. In Lacs)</b>	
<b>Particulars</b>	<b>As At 31.03.2021</b>	<b>As At 31.03.2020</b>
<b>A Non-Current</b>		
Provision for Leave Encashment	114.07	126.32
<b>Total</b>	<b>114.07</b>	<b>126.32</b>
<b>B Current</b>		
Provisions for :		
i) Gratuity	416.76	416.01
ii) Leave Encashment	17.03	13.47
<b>Total</b>	<b>433.79</b>	<b>429.48</b>
<b>Total (A+B)</b>	<b>547.86</b>	<b>555.80</b>
<b>15 INCOME TAXES</b>	<b>( Rs. In Lacs)</b>	
<b>Income Tax Expense in the Statement of Profit and Loss comprise:</b>	<b>For The Year ended 31.03.2021</b>	<b>For The Year ended 31.03.2020</b>
<b>Particulars</b>		
Current Income Taxes	371.62	48.32
Deferred Taxes	(13.89)	(83.80)
<b>Income Tax Expense</b>	<b>357.73</b>	<b>(35.48)</b>
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	1,541.13	570.19
Enacted Tax Rates in India	25.168%	25.168%
Computed expected tax expense	387.87	143.51
Tax Reversals	20.33	(72.43)
Effect of Exempted Income	(62.42)	(107.56)
Effect of non-deductible expenses	11.95	1.00
<b>Income Tax Expense</b>	<b>357.73</b>	<b>(35.48)</b>
The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:		
<b>Particulars</b>	<b>As At 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Deferred Tax Assets</b>		
Others	201.02	201.69
<b>Total Deferred Tax Assets</b>	<b>201.02</b>	<b>201.69</b>
<b>Deferred Tax Liabilities</b>		
Excess of book WDV of Property, Plant and Equipment over tax WDV of property, plant and equipment	796.14	810.70
<b>Total Deferred Tax Liabilities</b>	<b>796.14</b>	<b>810.70</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>595.12</b>	<b>609.01</b>
The gross movement in the deferred tax for the year ended March 31,2021 and March 31, 2020 are as follows:		
Net deferred tax liabilities at the beginning	609.01	692.81
Credits/(charge) relating to temporary differences	(13.89)	(83.80)
<b>Net Deferred Tax Liabilities at the end</b>	<b>595.12</b>	<b>609.01</b>
<b>16 TRADE PAYABLES</b>		
Total Outstanding dues of creditors other than micro enterprises and small enterprises-Suppliers other than related party	546.33	803.06
Total Outstanding dues of micro enterprises and small enterprises	177.81	61.50
Due to Related Parties	-	8.41
-	<b>724.14</b>	<b>872.97</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

\* 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:

Sr. No.	Particulars	As At 31.03.2021	As At 31.03.2020
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 31.03.2021	As At 31.03.2020
a) Current Maturities of Long-Term Debt (Refer Note No.13)	122.70	247.50
b) Interest Accrued but not due on borrowings	1.60	38.89
c) Unclaimed Dividend #	75.60	85.22
d) Security Deposit from Customers	8.60	5.60
e) Capital Creditors	9.96	11.67
<b>Total</b>	<b>218.46</b>	<b>388.88</b>

# 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)	292.61	-
<b>Total</b>	<b>292.61</b>	<b>-</b>

**19 OTHER LIABILITIES**
**Current**

a) Advance Received from Customers	1.16	17.35
b) Statutory Liabilities	241.95	231.18
c) Other Liabilities	81.92	63.82
<b>Total</b>	<b>325.03</b>	<b>312.35</b>

**20 REVENUE FROM OPERATIONS**

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
a) Sale of Products	10,056.84	7,835.42
b) Other Operating Revenues		
i) Export Incentive	171.66	241.18
ii) Deferred Income on Capital Grant (Government Grant)	15.86	16.43
iii) Transport & Marketing Assistance (TMA)	30.65	33.40
iv) Sale of Miscellaneous Items	22.67	23.17
<b>Total</b>	<b>10,297.68</b>	<b>8,149.60</b>

**21 OTHER INCOME**

a) Interest Income			
From Banks	27.07	15.80	
From Others	13.16	40.23	30.17
b) Exchange Rate Fluctuation (Net)		136.06	146.85
c) Miscellaneous Income		11.32	0.49
d) Sundry credit Balance Written Back		4.35	6.58
e) Profit on Sale of Fixed Assets		-	0.98
f) Interest on Income Tax Refund		55.02	2.53
<b>Total</b>	<b>246.98</b>	<b>187.60</b>	



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## 22 COST OF MATERIAL CONSUMED

(Rs. In Lacs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Opening Stock	59.54	80.80
Add: Purchases	2,165.02	1,573.44
	2,224.56	1,654.24
Less: Closing Stock	119.71	59.54
<b>Raw Material consumed</b>	<b>2,104.85</b>	<b>1,594.70</b>

## 23 A) (INCREASE)/DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS &amp; STOCK-IN-TRADE

## Closing Stock

Finished Stock	1,022.34	1,705.72
Work-In-Progress	697.13	471.92
Stock In Trade	7.36	11.01
	1,726.83	2,188.65

## Opening Stock

Finished Stock	1,705.72	1,262.84
Work-In-Progress	471.92	577.93
Stock In Trade	11.01	-
	2,188.65	1,840.77

<b>Total</b>	<b>461.82</b>	<b>(347.88)</b>
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## B) (INCREASE)/DECREASE IN BIOLOGICAL ASSET

## Closing Stock

Biological Asset	49.93	61.61
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## Opening Stock

Biological Asset	61.61	53.30
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<b>Total</b>	<b>11.68</b>	<b>(8.31)</b>
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## 24 EMPLOYEES BENEFIT EXPENSES

a) Salaries, Wages, Benefits & Amenities	1,588.96	1,687.92
b) Contribution to Provident Fund	73.04	76.00
c) Gratuity (Refer Note No.29)	60.11	59.45
d) Employees Welfare Expenses	35.02	39.72
<b>Total</b>	<b>1,757.13</b>	<b>1,863.09</b>

## 25 FINANCE COST

## Interest on:

i) Secured Loans	30.32	48.38
ii) Working Capital Facilities	12.44	39.93
iii) Shortfall in payment of Advance Tax	24.34	-
iv) Interest to Others	0.36	3.62
v) Interest on Unsecured Loans	22.40	40.37
Discounting & Bank Charges	119.81	116.62
<b>Total</b>	<b>209.67</b>	<b>248.92</b>

## 26 MANUFACTURING EXPENSES

Power & Fuel Consumed	1,390.16	1,341.59
Repair & Maintenance - Machineries	167.52	164.81
Stores, Spares, Tools, Jigs & Dies Consumed	169.10	162.61
Labour Charges	323.82	256.51
Sorting & Picking Charges	128.10	174.72
Tractor Hire & Shifting Charges	154.06	149.86
Lease Rent Short Term (Refer Note No.41)	2.40	2.40
Others Manufacturing Expenses	40.13	43.08
<b>Total</b>	<b>2,375.29</b>	<b>2,295.58</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**27 ADMINISTRATION & SELLING EXPENSES**
**(Rs. In Lacs)**

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Power & Fuel	93.51	92.93
Insurance Charges	76.51	63.07
Postage & Telephone Expenses	18.12	23.30
Vehicle Hire, Running & Maintenance Expenses	25.62	28.96
Conveyance & Travelling Expenses	51.77	95.08
Repair & Maintenance - Building	31.65	42.51
Repair & Maintenance - Others	34.60	31.74
Legal & Professional Charges	89.81	99.04
General Expenses	115.71	137.32
Lease Rent Short Term (Refer Note No.41)	10.21	11.04
CSR Expenditure	18.75	0.50
Charity & Donation	4.40	3.46
Provision for Doubtful Debts	1.47	9.09
Rates & Taxes	1.91	1.58
Loss on Sale of Fixed Assets (Net)	13.63	-
Sundry debit Balance written off	44.29	9.23
GST Expenses	69.95	91.77
Rebate & Discount	2.96	9.55
Sample Testing Charges	22.09	31.71
Commission on Sale	16.00	13.10
Packing & Forwarding Charges	295.40	372.36
Freight Outward	470.41	352.80
<b>Total</b>	<b>1,508.77</b>	<b>1,520.14</b>

**28 EARNINGS PER SHARE (EPS)**

a) Profit for the year (Rs. In Lacs)	1,199.51	678.95
b) Weighted Average number of Equity Shares for computation of Basic and Diluted Earning Per Share (In Numbers)	12,450,000	12,450,000
c) Nominal value per share (Rs.)	10	10
d) Basic & Diluted Earning Per Share (Rs.)	9.63	5.45

**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:

**(Rs. In Lacs)**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
<b>a) Reconciliation of opening and closing balances of obligation</b>				
Obligation at beginning of the year	748.93	678.70	139.79	127.60
Current Service Cost	32.53	31.55	11.20	11.09
Interest Cost	49.65	51.78	9.27	9.74
Actuarial (gain) /loss	(23.21)	26.74	(23.55)	(2.81)
<b>Less: Benefits paid</b>	<b>33.55</b>	<b>39.84</b>	<b>5.61</b>	<b>5.83</b>
<b>Obligation at the end of the year</b>	<b>774.35</b>	<b>748.93</b>	<b>131.10</b>	<b>139.79</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	(Rs. In Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
<b>b) Reconciliation of opening and closing balances of fair value assets</b>				
Fair value of plan assets at beginning of the year	332.92	312.93	-	-
Employer contribution	39.71	36.23	-	-
<b>Less:</b> Benefits Paid	33.55	39.84	-	-
<b>Add:</b> Expected return on plan assets	22.07	23.88	-	-
<b>Add:</b> Actuarial Gain /(Loss) on plan assets	(3.56)	(0.28)	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>357.59</b>	<b>332.92</b>	<b>-</b>	<b>-</b>
<b>c) Amount Recognized in Balance Sheet</b>				
Present value of obligation	774.35	748.93	131.10	139.79
Less: Fair value of plan assets	357.59	332.92	-	-
<b>Amount recognized in Balance Sheet</b>	<b>416.76</b>	<b>416.01</b>	<b>131.10</b>	<b>139.79</b>
<b>d) Gratuity &amp; other Post Employment benefitcost for the period</b>				
Current Service Cost	32.53	31.55	11.20	11.09
Interest Cost	49.65	51.78	9.27	9.74
Expected return on plan assets	(22.07)	(23.88)	-	-
Actuarial (gain) /loss	-	-	(23.55)	(2.81)
<b>Net amount recognized in Statement of Profit &amp; Loss</b>	<b>60.11</b>	<b>59.45</b>	<b>(3.08)</b>	<b>18.02</b>
<b>e) Gratuity &amp; other Post Employment benefit cost for the period</b>				
<b>Remeasurement of the net defined benefit liability/assets</b>				
Actuarial (gains)/losses	(19.65)	27.02	-	-
<b>Net amount recognized in Statement of other comprehensive income</b>	<b>(19.65)</b>	<b>27.02</b>		
<b>f) Principal actuarial assumption at the Balance Sheet date:</b>				
Interest Rate	6.53%	6.63%	6.53%	6.63%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

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 2021. The Company is expected to contribute Rs. 84.72 lacs to defined benefits plan obligation fund for the year ending 31st March 2022.

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. 23.63 Lacs (increase by Rs.24.89 Lacs) as at 31st March 2021.

If the expected salary growth increases/(decreases by 0.5%), the defined benefit plan obligations would increase by Rs. 24.16 Lacs (decrease by Rs.22.11 Lacs) as at 31st March 2021.

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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## 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 31.03.2021	For the Year Ended 31.03.2020
Domestic Revenue #	3,094.84	3,316.70
<b>Export Revenue:</b>		
USA	703.93	261.72
Europe	6,241.14	4,495.13
Australia	26.06	30.22
Asia	215.85	29.40
<b>Total</b>	<b>10,281.82</b>	<b>8,133.17</b>

# Includes sales of Miscellaneous Items amounting to Rs.22.67 Lacs ( previous year Rs.23.17 Lacs) shown under - Note No. -20 (b)(iv)

## 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	0.40	0.85
<b>Total</b>	<b>22.00</b>	<b>22.45</b>

## 32 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(Rs. In Lacs)	
	As At 31.03.2021	As At 31.03.2020
<b>A Contingent Liabilities</b>		
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).	526.96	679.46
ii) Guarantees Issued by the Bank( Net of Margin)	100.64	53.34
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
<b>Total (A)</b>	<b>666.88</b>	<b>772.08</b>
<b>B Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for in the Books of Accounts.	1,744.89	958.61
<b>Total (B)</b>	<b>1,744.89</b>	<b>958.61</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****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) Chairman,Key Management Personnel and their Relatives:**

- 1 Mr. Ashok Chaturvedi
- 2 Mr. A .Raghavendra Rao, Whole-time Director, (and his relatives) (till 03.04.2020)
- 3 Mr. M.M. Varshney, Whole-time Director (w.e.f. 27.06.2020) (and his relatives)
- 4 Mr. Rajesh Dheer, Company Secretary ( and his relatives)
- 5 Mr. Naval Duseja ,Chief Financial Officer (and his relatives)
- 6 Ashok Kumar Chaturvedi (HUF)
- 7 Mrs. Rashmi Chaturvedi
- 8 Mr. Anantshree Chaturvedi
- 9 Mr. Apoorvshree Chaturvedi
- 10 Ms. Anshika Chaturvedi

**iii) Other Related Enterprises**

- 1 Ultimate Flexipack Ltd.
- 2 AKC Retailers Pvt. Ltd
- 3 Anshika Investments Pvt. Ltd.
- 4 Anant Overseas Pvt. Ltd.
- 5 Apoorva Extrusion Pvt. Ltd.
- 6 Anshika Consultants Pvt. Ltd.
- 7 A.R.Leasing Pvt. Ltd.
- 8 A.R.Infrastructure & Projects Pvt. Ltd.
- 9 AC Infrastructures Pvt.Ltd.
- 10 Cinflex Infotech Pvt. Ltd.
- 11 Flex International Pvt. Ltd.
- 12 Ultimate Infratech Pvt. Ltd.
- 13 Modern Info Technology Pvt. Ltd
- 14 Magic Consultants Pvt. Ltd.
- 15 A.L. Consultants Pvt. Ltd
16. Ultimate Prepress LLB
17. Naveli Collections Pvt. Ltd.


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**(B) Transactions with Related Parties**

(Rs. In Lacs)			
Nature of Transaction	Enterprise for which Reporting Enterprise is an Associate	Chairman, Key Management Personnel and their Relatives as referred to in A(ii)	Other Related Enterprises as referred to in A(iii)
i) Purchase of Packing Material / Others	53.62 (49.77)	-	-
ii) Purchase of fixed assets	- (8.41)	-	-
iii) Loan Given	- (100.00)	-	-
iv) Recovery of Loan Given	100.00	-	-
v) Interest Received	6.53 (5.47)	-	-
vi) Refund of Loan	-	-	-
vii) Interest Paid	-	-	(200.00)
viii) Lease Rent	- (10.62)	-	(0.53)
ix) Dividend Paid	10.62 44.03 (58.70)	- 0.41 (0.53)	- 11.30 (15.07)
x) Reimbursement of Expenses	-	0.90	-
xi) Remuneration	-	(0.90)	-
xii) Sitting Fees	-	109.19 (127.46)	-
xiii) Sales of (MEIS) Licence	- 71.91 (56.75)	1.00 (1.75)	-
<b>Balance Outstanding at the end of the year</b>			
Credit	-	6.80	-
Debit	(8.41)	(6.74)	-
	-	-	-
	(104.93)	-	-
Outstanding Guarantee against Term Loans and working capital facilities		1,538.37	
		(1,409.76)	

**Note: Previous year figures have been given in brackets**

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

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
i) Gross Amount required to be spent by the Company	18.67	22.61
ii) Amount spent during the year on :		
a) Construction / acquisition of any asset	-	-
b) On purpose other than (i) above	18.75	-
iii) Amount payable as at Year End	-	0.50



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

- 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.
- 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 Rs 0.75) per share aggregating to Rs.124.50 Lacs (Previous Year Rs.93.38 Lacs) for the Financial Year ended 31st March 2021 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 **Impact of Covid-19 Pandemic**

The Covid-19 pandemic has impacted the businesses around the world, including India. In response, Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the disease and businesses worldwide have restricted access to public facing institutions, those deemed non-essential. These closures have led to significant, adverse changes in macroeconomic conditions – constraints on supply chain, sourcing of inputs and workforce availability. However the Company has not been materially impacted by the coronavirus as of now. Since Company's business falls within the category of manufacturing of essential commodities, therefore company has not seen any material impacts on its business activities for the financial year under report. However the extent to which the coronavirus will have additional impacts on the Company's business activities will depend on future developments, which are highly uncertain and can't be predicted. However, the company will continue to monitor any material changes to future economic conditions.

40 **Financial Instruments****Financial Instruments by category:**

The carrying value and fair value of financial instruments by categories as of March, 31 2021 & as of March,31 2020 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
<b>Assets</b>						
Cash and cash equivalents	CY	1269.54	-	-	1269.54	1269.54
(refer note no 9 & 10)	PY	613.38			613.38	613.38
Trade Receivables	CY	2565.06	-	-	2565.06	2565.06
(refer note no 8)	PY	1056.12			1056.12	1056.12
Loans & Security Deposits	CY	215.27	-	-	215.27	215.27
(refer note no 3A and 3B)	PY	316.50			316.50	316.50
Other financial assets	CY	23.49	-	-	23.49	23.49
(refer note no 4)	PY	20.11			20.11	20.11
<b>Total</b>	CY	<b>4073.36</b>	-	-	<b>4073.36</b>	<b>4073.36</b>
	PY	2006.11	-	-	2006.11	2006.11
<b>Liabilities</b>						
Trade payables	CY	724.14	-	-	724.14	724.14
(refer note no 16)	PY	872.97	-	-	872.97	872.97
Other financial liabilities	CY	218.46	-	-	218.46	218.46
(refer note no 17)	PY	388.88	-	-	388.88	388.88
Borrowings	CY	1415.67			1415.67	1415.67
(refer note no 13A and 13B)	PY	1502.26			1502.26	1502.26
<b>Total</b>	CY	<b>2358.27</b>	-	-	<b>2358.27</b>	<b>2358.27</b>
	PY	2,764.11	-	-	2764.11	2764.11

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****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.

- 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	36%	34%
Revenue from Top Five Customers	66%	65%

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	(Rs in Lacs)		
	As at 31st March 2021	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	1,538.37	1,538.37	-
Trade payables	724.14	724.14	-
Other Financial Liability	95.76	95.76	-
Other Liabilities	325.03	325.03	-
Current Tax Liability	292.61	292.61	-

**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 total borrowings of the company amounting to Rs. 1538.37 Lacs as on 31.03.2021 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. 15.38 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 71.46% 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 4.60%.

**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.

**41 Disclosures for Leases as per Ind AS -116 on "Leases"**

The following disclosures are made in respect of leases as required under Ind AS-116 on "Leases",

(Rs in Lacs)

S. No.	Particulars	Note No	As at 31.03.2021	As at 31.03.2020
(i)	Depreciation Charge on Right to Use Assets		-	-
(ii)	Interest Expense on Lease Liabilities		-	-
(iii)	Short Term Leases	26 & 27	12.61	13.44
(iv)	Low value leases		-	-
(v)	Variable Lease payments		-	-
(vi)	Total Cash outflow on Right on Use Assets		-	-
(vii)	Additions to Right to use Assets		-	-
(viii)	Carrying amount of Right to Use Assets		-	-

**Note : Signatories to Notes 1 to 41**

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For and on behalf of the Board of Directors

Ashok Chaturvedi  
Chairman  
DIN -00023452

M.M. Varshney  
Whole Time Director  
DIN - 08349956

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

Rajesh Dheer  
Company Secretary

Naval Duseja  
Chief Financial Officer

Megha Jain  
Partner  
Membership No. 415389

Place : Noida  
Dated : 28<sup>th</sup> June, 2021



# Notice of 31<sup>st</sup> Annual General Meeting

Shareholders are advised to refer Point No. 8 of Notice of AGM with regard to Payment of Dividend and applicable Tax Deduction at Source ("TDS") and Communication of Company dated 30th July, 2021 to Shareholders which is also available on the Company's website [www.flexfoodsltd.com](http://www.flexfoodsltd.com) (weblink: [https://flexfoodsltd.com/pdf/shareholders\\_communication/Communication\\_for\\_deduction\\_of\\_Tax\\_on\\_Dividend\\_for\\_2020\\_21.pdf](https://flexfoodsltd.com/pdf/shareholders_communication/Communication_for_deduction_of_Tax_on_Dividend_for_2020_21.pdf))



## **FLEX FOODS LIMITED**



## FLEX FOODS LIMITED

(CIN: L15133UR1990PLC023970)

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

Share Deptt. Office : 305, 3rd Floor, Bhanot Cornner, Pamposh Enclave, Greater Kailash-I, New Delhi-110 048

Phone : +91-11-26440917, 26440917 Fax : +91-11-26216922

Website: [www.flexfoodsltd.com](http://www.flexfoodsltd.com) E-mail ID: [secretarial@uflexltd.com](mailto:secretarial@uflexltd.com) CIN No. L15133UR1990PLC023970

### NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of Flex Foods Limited will be held on **Friday, 24<sup>th</sup> September, 2021 at 3:00 PM** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and the Auditors thereon;
2. To declare the dividend for the year 2020-2021 on the equity shares of the Company.
3. To appoint a Director in place of Shri Madan Mohan Varshney (DIN 08349956) who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 149, 152 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Rahul Razdan (DIN 09290572), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24<sup>th</sup> August, 2021 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** that pursuant of Section 196, 197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and such other approvals / sanctions as may be necessary, the company hereby approves the appointment of Shri Rahul Razdan (DIN 09290572) as Whole-time Director of the Company for a period of three years w.e.f. 24<sup>th</sup> August, 2021 to 23<sup>rd</sup> August, 2024 on the terms and conditions including as to remuneration, minimum remuneration in case of loss or inadequate profit in any financial year as set out in the explanatory statement annexed to the notice, which shall be deemed to form part thereof.

**RESOLVED FURTHER THAT** that the Board of Directors of the Company, including any duly constituted committee thereof, be and is hereby authorized to vary and / or revise the remuneration of the said Whole-time Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto.”



6 To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, 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 thereof for the time being in force), Shri Arvind Mahajan (DIN 02410540), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 24<sup>th</sup> August, 2021 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director for a term of 5 years, i.e. upto 23<sup>rd</sup> August 2026 and whose office shall not liable to retire by rotation.”

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the continuation of directorship of Shri Arvind Mahajan (DIN 02410540) after he attains the age of 75 years, as a Non-Executive, Independent Director of the Company.”

By Order of the Board

Sd/-

**RAJESH DHEER**

Company Secretary

FCS No. 3060

Place : NOIDA

Date : 24th August, 2021

**Regd. Office:**

Lal Tappar Industrial Area.

P.O. Resham Majri,

Haridwar Road, Dehradun,

Uttarakhand

**IMPORTANT NOTES:**

1. The explanatory statement pursuant to section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from **11<sup>th</sup> September, 2021 to 24<sup>th</sup> September, 2021** both days inclusive, for annual closing and determining the entitlement of the Members to the Dividend for Year 2020-21.
3. Central Depository Services Limited, (“CDSL”) will be providing facility for voting through remote e-Voting, for participation in the 31<sup>st</sup> AGM through VC/OAVM Facility and e-Voting during the 31<sup>st</sup> AGM.
4. CDSL e-Voting System – For Remote e-voting and e-voting during AGM
  - i. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic” (collectively referred to as



“SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

- ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and “MCA Circulars” & “SEBI Circulars”, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- iii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- v. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.flexfoodsltd.com](http://www.flexfoodsltd.com). The Notice can also be accessed from the website of the Stock Exchange i.e. the BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- viii. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

#### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on **21<sup>st</sup> September, 2021 (9:00 AM)** and ends on **23<sup>rd</sup> September, 2021 (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 17<sup>th</sup> September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>1) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration / EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Type of shareholders	Login Method
	<p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:**

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.





6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. • 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.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant for FLEX FOODS LIMITED.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized



to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@uflexltd.com](mailto:secretarial@uflexltd.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 (Three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id: [secretarial@uflexltd.com](mailto:secretarial@uflexltd.com)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 (Three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company ([secretarial@uflexltd.com](mailto:secretarial@uflexltd.com))/RTA ([beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com))**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex,

Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## 5. Other Guidelines for Members

- a. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the **cut-off date of 17th September, 2021**.
- b. 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 or casting vote through e-Voting system during the meeting.
- c. 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.
- d. The Scrutinizer shall after the conclusion of e-Voting at the 31st AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 31st AGM, who shall then countersign and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at and on the website of CDSL at <https://www.evotingindia.com/> immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the Stock Exchange i.e. "The BSE Limited ("BSE")".

6. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 31st AGM and the Annual Report for the year 2020-21 including the Audited Financial Statements for year 2020-21, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 31st AGM and the Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
  - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address [secretarial@uflexld.com](mailto:secretarial@uflexld.com)
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
7. The Board of Directors has recommended a Dividend of Rs. 1/- (Rupees One Only) per Equity Share of Rs.10.00 each for the year ended 31<sup>st</sup> March, 2021 that is proposed to be paid on and after **24<sup>th</sup> September, 2021**, subject to the approval of the shareholders at the 31<sup>st</sup> Annual General Meeting.
8. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company. **Further, with respect to Deduction of Tax on Dividend, the communication in this regard has been sent to the shareholders separately on 30th July, 2021 in the permitted mode.**
9. The dividend/s, if any, approved by the Members will be paid as per the mandate registered with the Company or with their respective Depository Participants.
10. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive

dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address [secretarial@uflexltd.com](mailto:secretarial@uflexltd.com) by **10<sup>th</sup> September, 2021**.

- a) signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received :
  - i. Name and Branch of Bank and Bank Account type;
  - ii. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
  - iii. 11 digit IFSC Code;
- b) self attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c) self attested scanned copy of the PAN Card; and
- d) self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

11. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
12. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, 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.12,72,736/- (Rupees Twelve Lacs Seventy Two Thousand Seven Hundred Thirty Six only) being the unpaid and unclaimed dividend amount pertaining to Dividend, 2012-13 to the Investor Education and Protection Fund of the Central Government during the year 2020-21.

The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at [www.flexfoodsltd.com](http://www.flexfoodsltd.com). Members who have not encashed Dividend for the year 31<sup>st</sup> March, 2014 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

13. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 30851 (Thirty Thousand Eight Hundred Fifty One) Equity Shares of Rs.10/- each on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred during the year 2020-21 to the IEPF Account, after following the prescribed procedure.

Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2014 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

14. 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 to not 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 from time to time.
15. 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.

16. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
17. Electronic copy of all the documents referred to in the accompanying Notice of the 31st AGM shall be available for inspection in the Investor Section of the website of the Company at [www.flexfoodsltd.com](http://www.flexfoodsltd.com)
18. During the 31<sup>st</sup> AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act at company's website: [www.flexfoodsltd.com](http://www.flexfoodsltd.com).
19. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 31<sup>st</sup> AGM, forms integral part of the Notice of the 31st AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
20. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item 4 & 5**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has appointed Shri Rahul Razdan (DIN 0009290572) as an Additional Director in terms of Section 161 & other applicable provisions of the Companies Act, 2013 to hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member of the Company proposing the candidature of Shri Rahul Razdan for the office of Director of the Company, liable to retire by rotation.

The company business activities have been grown in last couple of years and Food Processing Industry, more particularly in the International Market is highly demanding & challenging. The Company's products are well accepted in India as well as in foreign markets. However a lot is still to be achieved and therefore there is a need to have an eminent and experienced professional as the Whole-time Director of the Company who could manage day to day activities of the company.

Therefore, the Board of Directors of the Company (after considering the recommendation of the Nomination and Remuneration Committee) at its meeting held on 24<sup>th</sup> August, 2021 has, subject to the approval of Shareholders, appointed Shri Rahul Razdan as Whole-time Director of the Company for a period of 3 years commencing from 24<sup>th</sup> August, 2021.

Shri Rahul Razdan is a Bachelor of Science in Botany and a Post Graduate in Business Administration. He has over 27 years experience in International Marketing and has worked in several large corporate houses like J.V. Gokal & Company Ltd, Karuturi Networks Ltd, Sucafina SA, Manjushree Plantations Ltd. and Bakelite Hylam Ltd. Displaying core competencies like leadership, team management, well developed organizational ability, and excellent communication skills, he is both quality and process oriented

He is associated with the Company for more than one year and quite familiar with the Company's activities. Presently he is working with the Company as CEO. Considering his vast and rich experience, the Board of Directors proposed the appointment of Shri Rahul Razdan as Whole-time Director on the following terms and conditions:

### **TERMS AND CONDITIONS**

#### **Remuneration:**

Total Salary including (all allowances & perquisites) upto Rs. 90,00,000/- (Rupees Ninety Lakh only) per annum with an annual increment of maximum up to 25% of gross salary as decided by Chairman of the Company and subject to the remuneration mentioned in Schedule V of the Companies Act, 2013). In addition to above he will also be entitled to car for official use on conditions that all running and maintenance expenses including driver's salary shall be borne by him and an ex-gratia and leave encashment as per company rule.



## Other terms

- (a) He will not be entitled to sitting fees for attending meetings of the Board or Committee(s) thereof.
- (b) He will be liable to retire by rotation.
- (c) The aforesaid appointment may be terminated by either side giving notice as per company's policy.

In the event of inadequacy of profit or absence of profit, the company shall pay Shri Rahul Razdan the above remuneration as minimum remuneration but not exceeding the limit specified under Schedule V of the Companies Act, 2013 or such other limits as may be specified by the Central Government, from time to time as minimum remuneration.

## Functions

The Whole-time Director shall discharge such functions as are delegated to him by the Board of Directors and/or Chairman.

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India is attached as Annexure to the Notice.

None of the directors, key managerial personnel or their relatives, except Rahul Razdan, to whom these resolution(s) relates, is interested or concerned in the resolution.

The Board recommends the resolutions set forth in Item no. 4 as an Ordinary & 5 as a Special Resolution for the approval of the members.

**Statement with reference to the Special Resolution of the Notice of 31<sup>st</sup> Annual General Meeting of Flex Foods Limited as required under Schedule V of the Companies Act 2013 given hereunder.**

## I. GENERAL INFORMATION

### 1. Nature of Business

The Company is engaged mainly in business of cultivation and processing of mushrooms, herbs, fruits and vegetables in freeze dried, air dried and Individual quick frozen forms. The company have been selling its product to European and US markets.

### 2. Date of Expected date commencement of commercial production

Existing company in operation since 1990

### 3. In case of new company, excepted date of commencement of activities as per project approved by Financial Institution appearing in the prospectus

Not Applicable

### 4. Financial Performance based on given indicators

	(Rs. in Lacs)		
Year ended 31 <sup>st</sup> March	2019	2020	2021
Revenue from operation	8536.63	8149.60	10297.68
Other income	164.41	187.60	246.98
Profit before Finance cost, Depreciation & Tax	1954.68	1361.02	2272.44
Finance Cost	330.92	248.92	209.67
Depreciation	524.67	541.91	521.64
Profit before Tax	1099.09	570.19	1541.13
Tax Expense	(4.22)	(108.76)	341.62
Profit for the Year	1103.31	678.95	1199.51



## 5. Export performance

The company is earning valuable Foreign Exchange for the Country since inception. The figures of export for the three years are as under:

(Rs. in Lacs)		
2018-2019	2019-2020	2020-2021
6024.16	4810..51	7184.76

## 6. Foreign investment or collaborators, if any.

Nil

## II. INFORMATION ABOUT SHRI RAHUL RAZDAN

Name of Director	Shri Rahul Razdan
Background details	He is a Bachelor of Science in Botany and a Post Graduate in Business Administration. He has over 27 years experience in International Marketing and has worked in several large corporate houses like J.V. Gokal & Company Ltd, Karuturi Networks Ltd, Sucafina SA, Manjushree Plantations Ltd. and Bakelite Hylam Ltd. Displaying core competencies like leadership, team management, well developed organizational ability, and excellent communication skills, he is both quality and process oriented. He is associated with the Company for more than one years.
Past Remuneration	He was CEO of the Company. Salary including allowances of Rs.5,75,000/- per month and Car as per Company policy.
Recognition of Awards	Nil
Job profile and his suitability	Shri Rahul Razdan has been entrusted with power of the management of business and affairs of the company. He play a major role in providing through leadership and strategic input in the Company.
Remuneration proposed	As stated in Explanatory Statement of the notice Item No. 4 & 5.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of Shri Rahul Razdan is in sync with his peers and is commensurate with his qualification, experience, the size of the Company.
Pecuniary relation directly or indirectly with the Company or relationship with the Managerial Personnel, if any.	Shri Rahul Razdan does not have any pecuniary relationship with the Company except remuneration drawn as Whole-time Director.

## III. OTHER INFORMATION

### 1 Reason of loss or inadequate Profit

Company is in food processing industry and could not achieved the expected revenue.

### 2 Step taken or proposed to be taken for improvement

The company has been taken all measures within its control to maximize efficiencies and to minimize cost for lowering the cost of production. In order to achieve revenue & growth the company continues to focus on the development and innovation of new products.

### 3 Expected increase in productivity and profit in measurable terms

Food processing industry fastest growing industry in the word-wide. The fundamental of the company are sound. It was well balanced businesses and has the potential of not being just profitable but achieving significant growth. The company expect that the productivity and profitability may improve and would be comparable with the industry average.

## IV. DISCLOSURES

The applicable disclosures have been provided under the Corporate Governance section of the Directors' Report attached the Financial Statement.

**Item 6****Appointment of Shri Arvind Mahajan (DIN 02410540) as an Independent Director of the Company**

Shri Arvind Mahajan was appointed as an Additional Director by the Board with effect from 24<sup>th</sup> August, 2021 pursuant to Section 161 of the Companies Act, 2013. Shri Arvind Mahajan will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Arvind Mahajan for the office of Independent Director, to be appointed under the provisions of Section 149 of the Companies Act, 2013.

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

Shri Arvind Mahajan is a retired Director General Corps of Electronics and Mechanical Engineers in Indian Army. The matter regarding appointment of Shri Arvind Mahajan as an Additional Director was placed before the Nomination and Remuneration Committee and it recommended the appointment.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that during the course of term of appointment of Shri Arvind Mahajan, he will be attaining the age of 75 years, it is necessary to approve continuation of his directorship on the Board of Directors of the Company by way of a special resolution.

The resolution seeks the approval of members for the appointment of Shri Arvind Mahajan as an Independent Director of the Company for a term of five years up to 23<sup>rd</sup> August, 2026 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Shri Arvind Mahajan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

None of the directors, key managerial personnel or their relatives, except Shri Arvind Mahajan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.6 for the approval of the members.

By Order of the Board

**Sd/-**  
**RAJESH DHEER**  
Company Secretary  
FCS No. 3060

Place : NOIDA  
Dated : 24th August, 2021

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



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT  
AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Name of Director	Shri Madan Mohan Varshney	Shri Rahul Razdan	Shri Arvind Mahajan
Date of Birth	31.12.1959	01.09.1971	24.12.1947
Date of Appointment	27.06.2020	24.08.2021	24.08.2021
Experience in specific Functional areas	He is Post Graduate, having an experience of about 36 years in the field of Food Technology specialization in Process Food Engineering.	He has vast experience of 27 years experience at the highest level of Management and in International Marketing	Shri Arvind Mahajan is retired from India Army as Director General, Corps .of Electronics and Mechanical Engineers. Shri Mahajan ara of specialization are Finance law, management, sales, marketing, administration, research, corporate governance and technical operation.
Qualification	Master of Science	Shri Rahul Razdan is a Bachelor of Science in Botany and a Post Graduate in Business Administration	Shri Arvind Mahajan is a Post Graduate in Automobile Engineering, Diploma in Business Administration Management and Doctor in Philosophy (Ph.D) (Technology & National Security)
Terms and Conditions of appointment or re-appointment	Shri Madan Mohan Varshney retire by rotation at the ensuing Annual General Meeting	Shri Rahul Razdan is appointed as an Additional Director and Whole-time Director w.e.f. 24.08.2021 and proposed to be appointed as regular director at the ensuing Annual General Meeting liable to retire by rotation	Shri Arvind Mahajan was appointed as Additional Director on 24.08.2021 and proposed to be appointed as regular independent director at the ensuing Annual General Meeting not liable to retire by rotation
Remuneration sought to be paid	Shri Madan Mohan Varshney retires by rotation at the ensuing Annual General Meeting. Remuneration is being paid as per terms and Conditions earlier approved by the Shareholders.	As mentioned in the notice of ensuing Annual General Meeting.	Eligible for sitting fee for attending Committee/Board Meetings.
Remuneration last drawn	As above	Rs.575000/- per month	As above
Shareholding in the Company	1300 Equity Shares	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.	Not related to any other Directors and other key managerial personnel of the Company.
No. of Meeting of the Board attended	4	Nil	Nil
Directorship in other Public Limited Companies / excluding private companies which are subsidiary of public company	Nil	Nil	Nil
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	<b>Flex Foods Limited</b> – Audit Committee, Member – Corporate Social Responsibility (CSR) Committee Member	Nil	Nil

**DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTOR OF THE COMPANY AS ON 31.03.2021  
(Pursuant to SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015)**

SI No.	Name of Director	No. of Equity Shares
1	Shri Ashok Chaturvedi	7610
2	Shri Paresb Nath Sharma	Nil
3	Shri Rajendra Kumar Mishra	Nil
4	Smt. Indu Liberhan	Nil
5	Shri Rajeev Sharma	Nil
3	Shri Arvind Mahajan	Nil