



33rd

ANNUAL REPORT
2022-2023



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

33rd ANNUAL REPORT 2022-2023

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman

INDU LIBERHAN

RAJENDRA KUMAR MISHRA

RAJEEV SHARMA

ARVIND MAHAJAN

RAHUL RAZDAN
Whole Time Director

PARESH NATH SHARMA (upto 25.05.2022)

MADAN MOHAN VARSHNEY
(upto 05.05.2022)
Whole Time Director

COMPANY SECRETARY

HIMANSHU LUTHRA

AUDITORS

Statutory Auditor

MJM & ASSOCIATES, LLP
B-22, Sector 14
NOIDA-201301

Internal Auditor

KAAP & ASSOCIATES
89, Lower Ground Floor,
Gujrat Vihar,
Delhi 110092

Secretarial Auditor

MAHESH GUPTA & CO.
Wadhwa Complex, Chamber No. 110,
Ground Floor, D-288-289/10,
Laxmi Nagar, Delhi-110 092

BANKERS

CANARA BANK
INDIAN BANK
WOORI BANK

CORPORATE OFFICE

A-108, Sector 4, NOIDA
Uttar Pradesh

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@flexfoodsltd.com

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd
Beetal House, 3rd Floor
99, Madangiri, Beind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi - 100062
Phone Nos.: 011 29961281 - 83
Fax No. : 011 29961284
E-mail : beetal@beetalfinancial.com

WORKS

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

Devaganapalli,
Krishnagiri, Tamil Nadu

Chidderwala, Dehradun,
(Uttarakhand)

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting this 33rd Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

FINANCIAL RESULTS:

The summarized financial results for the year ended 31st March, 2023 and for the previous year ended 31st March, 2022 are as follows:

[Rs. in Lacs]

	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Operations	11,732.60	11,188.16
Other Income	58.33	32.41
Total Revenue	11,790.93	11,220.57
Profit before Finance Cost, Depreciation & Tax	1,170.82	2,000.96
Finance Cost	1,606.33	243.10
Depreciation	964.22	517.81
Profit before Tax	(1,399.73)	1,240.05
Less : Tax Expenses	(339.97)	328.44
Profit for the year	(1,059.76)	911.61

During the year under review, your Company achieved total revenue and net loss of Rs 11,790.93 Lakhs and Rs. 1.059.76 Lakhs respectively, as against total revenue and Net Profit of Rs. 11,220.57 Lakhs and Rs 911.61 Lakhs respectively during the previous financial year ended 31st March, 2022.

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

SHARE CAPITAL

The paid-up equity share capital outstanding as on 31st March, 2023 was Rs.12.45 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31st March, 2023 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

TRANSFER OF UNCLAIMED DIVIDEND TO AUTHORITY

An amount of Rs. 15,59,052/- (Rupees Fifteen Lakhs Fifty-Nine Thousand and Fifty-Two Rupees) 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 32,785 (Thirty-Two Thousand Seven Hundred and Eighty-Five) 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 of Rs 0.50 (Rupees Fifty Paise Only) per equity share of Rs.10/- each (5%) for the financial year ended 31st March, 2023 after considering business exigencies.

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 29th July, 2023 to Friday, the 18th August, 2023 (both days inclusive).

The Dividend, as recommended by the Board, if declared at the meeting, will be paid to those members or their mandates:

- Whose names appear as Beneficial owners as at the end of business hours on Friday, the 28th day of July, 2023 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- Whose names appear as members in the Register of Members of the Company after giving effect to valid requests for transmission of shares, deletion/transposition of names etc in physical form lodged with the Registrar & Share Transfer Agents of the Company on or before Friday, the 28th day of July, 2023.

CHANGE IN NATURE OF BUSINESS

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

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 resigned from the Board of Directors of the Company w.e.f. 05th May, 2022 due to his pre-occupation. Further, Shri Paresch Nath Sharma, whose second term as Independent Director expired on 25th May, 2022, has also ceased to be the Director of the Company. The Board of Directors place on record their appreciation for the valuable contribution made during their tenure as Directors of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Rajeev Sharma, Chairman (DIN: 08789214) of the Company retire by rotation and being eligible, offers himself for reappointment.

Smt. Indu Liberhan was re-appointed for a second term of 5 (Five) consecutive years i.e., from 16th August, 2022 to 15th August, 2027 in the AGM held dated 05th August, 2022.

All the Independent Directors of your Company have given declarations inter-alia 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.

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.

INDIAN ACCOUNTING STANDARDS

The annexed financial statements for the Financial Year 2022-23 and corresponding figures for 2021-22 comply in all material aspects with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as modified from time to time.

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 31st March, 2023, 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 31st March, 2023 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.

DISCLOSURE RELATED TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no subsidiaries, associates and joint ventures during the period under review. However, the Company is an Associate Company of Uflex Limited.

DEPOSITS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rule 8(5)(vi) of the Companies (Accounts) Rules, 2014 are reported.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans and Investments, if any during the financial year under review are given in the accompanying Financial Statements. Further, the Company has not executed any Corporate Guarantee during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The related party transactions entered during the financial year were on Arm's Length Basis and were in the ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. However, suitable disclosure has been made in the notes to the Financial Statements.

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

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises Shri Indu Liberhan, Chairperson, Shri Rajendra Kumar Mishra, Member and Shri Rahul Razdan, Member. The terms of reference of the Corporate Social Responsibility (CSR) Committee are provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.flexfoodsltd.com/pdf/CSRPolicy.pdf>.

Shri Pares Nath Sharma ceased to be the member of the Committee on account of Cessation from the Directorship of the Company w.e.f. 25th May, 2022.

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 A" is integral part of this Report.

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 B".

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 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 said policy as approved by the Board was uploaded on the Company's website www.flexfoodsltd.com at weblink <http://www.flexfoodsltd.com/pdf/whistleblowerpolicy.pdf>.

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.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013), were re-appointed as Statutory Auditors of the Company for a further term of 5 (Five) years to hold office from the conclusion of 32nd Annual General Meeting of the Company held on 05th August, 2022 until the conclusion of the 37th Annual General Meeting to be held for the financial year 2026-27.

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 2022-2023 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 Statutory 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 Statutory Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2023 are self-explanatory and therefore do not call for any further comments.

INTERNAL AUDITORS

The Board of Directors of your Company has appointed M/s. KAAP & Associates, Chartered Accountants, Delhi (Firm Registration No. 019416N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2022-2023.

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 2022-2023. The Report of the Secretarial Auditor is annexed to the Report as per "Annexure C".

EXPLANATION IN RESPONSE TO AUDITOR'S QUALIFICATIONS

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

There were no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their Secretarial Audit Report.

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.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the period under review.

SETTLEMENT WITH BANK OR FINANCIAL INSTITUTION

There was no instance of one-time settlement with any Bank or Financial Institution.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2023 is available on the Company's website and can be accessed

at https://www.flexfoodsltd.com/pdf/Annual_Return/Annual_Return_2022_2023.pdf.

MEETINGS

During the year under review, four Board Meetings, four Audit Committee Meetings, two NRC Committee meetings, one CSR Committee meeting and three Stakeholders Relationship Committee meeting were convened and held, the details of which are given in Corporate Governance Report appended hereto.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee, comprises of Smt. Indu Liberhan as the Chairperson, Shri Rajendra Kumar Mishra, Shri Arvind Mahajan and Shri Rahul Razdan as the Members. More details about the Committee are given in the Corporate Governance Report appended hereto.

Shri Paresh Nath Sharma ceased to be the member of the Committee on account of cessation from the Directorship of the Company w.e.f. 25th May, 2022.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e., 31st March, 2023 and the date of this report affecting financial position 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

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 D".

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.

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.

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 E & F".

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 2022-2023 and hence no complaint is outstanding as on 31st March, 2023 for redressal.

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: 26th May, 2023

ANNEXURE – A
FLEX FOODS LIMITED
CSR REPORT FOR THE FY 2022-23

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
	1.	Smt. Indu Liberhan	Chairperson / Independent Director	1
	2.	Shri Rajendra Kumar Mishra	Member / Independent Director	1
	3.	Shri Rahul Razdan	Member / Executive Director	1
3	Provide the web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.		https://www.flexfoodsltd.com/pdf/CSRPolicy.pdf	
4	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.		NOT APPLICABLE	

5	(a)	Average net profit of the company as per sub-section (5) of section 135.	Rs. 1,160.22 Lakhs
	(b)	Two per-cent of average net profit of the company as per sub-section (5) of Section 135.	Rs. 23.20 Lakhs
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NIL
	(d)	Amount required being set-off for the financial year, if any.	NIL
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	Rs. 23.20 Lakhs
6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	Rs. 23.50 Lakhs
	(b)	Amount spent in Administrative Overheads.	NIL
	(c)	Amount spent on Impact Assessment, if applicable.	N.A.
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	Rs. 23.50 Lakhs

	(e)	CSR amount spent or unspent for the Financial Year:				
		Total Amount Spent for the Financial Year (Rs. in Lacs)	Amount Unspent (Rs. in Lakhs)			
			Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of Section 135	
			Amount	Date of transfer	Name of the Fund	Amount
		23.50 Lakhs	N.A.		N.A.	

	(f)	Excess amount for set-off, if any:	
	S. No.	Particular	Amount (In Rs. Lakhs)
	(1)	(2)	(3)
	(i)	Two per-cent of average net profit of the company as per sub-section (5) of section 135	23.20
	(ii)	Total amount spent for the Financial Year	23.50
	(iii)	Excess amount spent for the Financial Year [(ii)-(i)] *	0.30
	(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)] *	0.30

*Amount available for set-off from financial years: FY 2020-21 is Rs. 0.08 Lakhs, FY 2021-22 is Rs. 0.04 Lakhs and FY 2022-23 Rs. 0.30 Lakhs. Total amount available till FY ended 2023-24 is Rs. 0.42 Lakhs (i.e., 0.08 Lakhs + 0.04 Lakhs + 0.30 Lakhs)

7. Details of Unspent CSR amount for the preceding three financial years:							
1	2	3	4	5	6		8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of Section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.		Deficiency, if any
					Amount (in Rs.)	Date of transfer	Amount remaining to be spent in succeeding Financial Years (in Rs.)
-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Not Applicable
If Yes, enter the number of Capital assets created/ acquired		
Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(5)
	(3)	(4)
		(6)
		CSR Registration Number, if applicable
		Name
		Registered address
(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)		
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.	
<div style="display: flex; justify-content: space-between;"> <div> (ASHOK CHATURVEDI) Chairman DIN: 00023452 </div> <div> (INDU LIBERHAN) Chairperson of CSR Committee DIN: 03341420 </div> </div>		

Place: NOIDA
Dated: 26th May, 2023

ANNEXURE 'B'

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 and 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 & consumption, process analysis & improvement, Identifying & eliminating distribution system loss, frequent inspection & cleaning programs. Electricity consumption has been reduced by monitoring & analyzing data on regular basis at Freeze drying unit as compared to last year. Also, a new Boiler has been installed at Mushroom farm which helped in optimizing the energy.

Further, the Company have following certifications:

- Global Standard for Food safety (BRC),
- ULSAC (Unilever Sustainability Agriculture Code),
- ISO 22000:2018 & Global Gap certification for Mushroom Farm & Herbs,
- Kosher certificate,
- Organic NPOP,
- NOP certificate (Organic),
- HALAL

Recently, the Company has also attained IFS certification with high level score at Dehradun plant of the Company.

The company has recently implemented Global standards of Food safety BRC & IFS and Organic NPOP & EU at Hosur plant of the Company.

The Company is continuously maintaining Halal certification for supplying its products as per permissible & lawful traditions of Islamic laws.

The Company has not made any major capital investments during the FY 2022-23.

ABSORPTION TECHNOLOGY

Research & Development (R&D)

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

The company has prioritized and carried out R&D work in the process and product development of the Company as listed below:

- FD Peach
- FD Blueberry
- FD Lovage
- FD Pear
- FD Straw berry
- FD dragon fruit
- FD cranberry
- FD coconut
- FD Spota
- FD Mango slice for snacking application
- FD guava
- FD Papaya
- IQF Blue Berry
- IQF Garlic
- IQF ginger
- IQF Cauliflower
- Air-Dried Peas
- Sprouting Trials of Organic cereals
- Millets & pulses

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

The Commercial supplies of few of the above mentioned have been started and some are in the pipe line.

Future Plan of Action

- a) Steps will be taken for innovation and renovation of products including new product development.
- b) Training program has been initiated at both the plant location for farmers for growing of Organic & Conventional herbs for Good Agricultural Practices (GAP) to grow herbs as per US and EU norms.
- c) Backward integration for growing of herbs with increased area of cultivation for sustained and quality supply of fresh herbs for the Hosur, Tamil Nadu plant.
- d) GCMS-MS & LCMS-MS lab instruments are being installed & operational for in house pesticide testing as per European Union, USFDA norms.
- e) Mushroom Compost under stacks developed for uniform aeration & temperature control during compost production.
- f) New Air handling unit is being installed in Growing room for improved & PLC controlled climatic conditions.

The Company has not made any major expenditure on R&D in FY 2022-23.

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, the Company had exported manufactured goods calculated on FOB basis amounting Rs. 9,313 lakhs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to Rs. 95 lakhs.

For & On behalf of the Board

Place : Noida
Dated : 26th May, 2023

Ashok Chaturvedi
Chairman
(DIN: 00023452)

ANNEXURE-C
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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 and in compliance with the SDD provisions.
 - 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 and Sweat Equity) Regulations, 2021 - **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 all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above and also filed all the required E-forms / Returns with the appropriate authorities from time to time.

We further report that

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 have taken place.

**For Mahesh Gupta and Company
Company Secretaries**

**Mahesh Kumar Gupta
Proprietor**

FCS No.: 2870; C P No.: 1999

Place : Delhi **Peer review certificate no. 727/2020**
Date : 26TH May,2023 **UDIN NO.: F002870E000384163**

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

ANNEXURE - A

To
The Members
FLEX FOODS LIMITED
(CIN: L15133UR1990PLC023970)
Lal Tappar Industrial Area,
PO-Resham Majri, Haridwar Road,
Dehradun, Uttarakhand

Our report of even date is to be read along with this letter.

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

**For Mahesh Gupta and Company
Company Secretaries**

**Mahesh Kumar Gupta
Proprietor**

FCS No.: 2870; CP No.: 1999

Peer review certificate no. 727/2020
UDIN NO.: F002870E000384163

Place : Delhi
Date : 26TH May,2023

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) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Ashok Chaturvedi	00023452	05-02-1990
2	Mrs. Indu Liberhan	03341420	16-08-2019
3	Mr. Rajendra Kumar Mishra	07905342	16-08-2017
4	Mr. Rajeev Sharma	08789214	14-07-2020
5	Mr. Rahul Razdan	09290572	24-08-2021
6	Mr. Arvind Mahajan	02410540	24-08-2021

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

PLACE: DELHI
DATE: 26TH MAY, 2023

PEER REVIEW CERTIFICATE NO. 727/2020
UDIN NO.: F002870E000384108

ANNEXURE D PARTICULARS OF REMUNERATION

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

The information required under Section 197(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;

Non-Executive Director	Ratio to Median Remuneration
Mr. Ashok Chaturvedi	0.45
Mrs. Indu Liberhan	1.26
Mr. R.K. Mishra	1.35
Mr. P.N. Sharma (up to 25.05.2022)	0.18
Mr. Rajeev Sharma	0.81
Mr. Arvind Mahajan	0.90
Executive Director	
Mr. M.M. Varshney (up to 05.05.2022)	2.99
Mr. Rahul Razdan	30.20

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

Name of Person	% Increase in Remuneration
Non-Executive Director	
Mr. Ashok Chaturvedi	-28.57
Mrs. Indu Liberhan	-6.67
Mr. R.K. Mishra	-11.76
Mr. P.N. Sharma (up to 25.05.2022)	-88.24
Mr. Arvind Mahajan	66.67
Mr. Rajeev Sharma	28.57
Executive Directors	
Mr. M.M. Varshney (up to 05.05.2022)	-90.62
Mr. Rahul Razdan ^	78.48
Key Managerial Personnel (KMP)	
Mr. Naval Kishore Duseja (CFO)	2.80
Mr. Rajesh Dheer (Company Secretary) (up to 30.09.2022)	-47.25
Mr. Himanshu Luthra (Company Secretary) (w.e.f. 11.11.2022) \$	NA

^ Mr. Rahul Razdan was appointed as Whole Time Director on 24.08.2021, therefore, % increase in his remuneration during FY 2022-23 is exponential.

\$ Mr. Himanshu Luthra was appointed as Company Secretary on 11.11.2022, therefore, it is not possible to calculate % increase in his remuneration.

- (c) **The percentage increase in the median remuneration of employees in the financial year:** 13.86
- (d) **the number of permanent employees on the rolls of company**
As on 31.03.2023 employees are 478 however the data taken for calculation of median remuneration of the employee is 527.
- (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 2022-23 was 7%. Percentage increase in the managerial remuneration for the year was -31.97%
- (f) **Affirmation that the remuneration is as per the remuneration policy of the company.**

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

ANNEXURE 'E'

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2023

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, 2023)

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. The 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 and category of Directors as on March 31, 2023 are as follows:

S. No.	Name of Directors	DIN	Designation	Category
1.	Shri Ashok Chaturvedi	00023452	Chairman	Promoter –Non-executive
2.	Shri Rahul Razdan	09290572	Whole-time Director	Executive
3.	Shri Rajeev Sharma	08789214	Director	Non- Executive
4.	Smt. Indu Liberhan	03341420	Director	Independent, Non-executive
5.	Shri Rajendra Kumar. Mishra	07905342	Director	Independent, Non-executive
6.	Shri Arvind Mahajan	02410540	Director	Independent, Non-executive

Note:

1. Shri Madan Mohan Varshney ceased to be the Director of the Company w.e.f. 05th May, 2022.
2. Shri Paresh Nath Sharma ceased to be the Director of the Company w.e.f. 25th May, 2022.

b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2022-2023. The dates on which the meetings were held are 26th May, 2022, 09th August, 2022, 11th November, 2022 and 13th February, 2023.

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 Rajendra Kumar Mishra	4	Yes
Shri Rajeev Sharma	4	No
Shri Arvind Mahajan	4	No
Shri Rahul Razdan	4	Yes
Shri Madan Mohan Varshney	0	No
Shri Paresh Nath Sharma	0	No

Note:

1. Shri Madan Mohan Varshney ceased to be the Director of the Company w.e.f. 05th May, 2022.
2. Shri Paresh Nath Sharma ceased to be the Director of the Company w.e.f. 25th May, 2022.

(ii) **Directorships and Committee Membership/Chairmanships in other Public Limited 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	1	-	-	Uflex Limited (Executive Chairman)
Shri Rahul Razdan	-	-	-	-
Shri Rajeev Sharma	-	-	-	-
Smt. Indu Liberhan	1	2	1	Uflex Limited (Independent Non-Executive Director)
Shri Rajendra Kumar Mishra	-	-	-	-
Shri Arvind Mahajan	-	-	-	-
Shri Paresh Nath Sharma ^{Note}	4	5	2	1. Uflex Limited (Independent Non-Executive Director) 2. Singer India Limited (Independent Non-Executive Director)
Shri Madan Mohan Varshney	-	-	-	-

Note:

@ Excludes Directorships of Foreign Companies and Dormant Companies.

Includes only Audit Committee and Stakeholders' Relationship Committee. As per declarations received, none of the Directors serve as an Independent Directors in more than 7 Listed Companies. Further, the Whole-time Director does not serve as an Independent Director in any other entity.

Note:

1. Shri Madan Mohan Varshney ceased to be the Director of the Company w.e.f. 05th May, 2022.
2. Shri Paresh Nath Sharma ceased to be the Director of the Company w.e.f. 25th May, 2022.

(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, 2023, none of the Directors of the Company held shares or convertible instruments of the Company except Shri Ashok Chaturvedi, Director who held 7,610 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 along with 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 to be placed before the Board of Directors under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

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

(g) Skills / Expertise / Competence of the Board of Director (serving as at 31-03-2023):

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

The Board of Directors of the Company comprises highly qualified members, possessing required skills, expertise and competence in making effective contributions towards the growth of the Company. Leadership, operational experience, strategic planning, industry experience, research & development, innovation, consumer insights, marketing, supply chain management and branding are the key core skill / expertise / competence, in the context of the Company's business apart from governance, finance, taxation and regulatory affairs functions. In the opinion of the Board, these skills are available with the Member of the Board of Directors and is best demonstrated with the following chart / matrix:

S. No.	Name of Director(s)	Skills / expertise / competence
1.	Shri Ashok Chaturvedi	Leadership, Business Strategy, Industry Experience specially in Food Processing, Sales & Marketing, Strategic Planning, Product Innovation, etc.
2.	Shri Rahul Razdan	Strategic Planning, Industry Experience in Food Processing Technology, Product Innovation, Sales & Marketing.
3.	Shri Rajeev Sharma	Project Planning, Management & Execution, Supply Chain Management and liaisoning.
4.	Smt. Indu Liberhan	Finance Management, Banking, Taxation and Capital Markets, Corporate Governance, etc.
5.	Shri Rajendra Kumar Mishra	Rich experience in administration, Project Management, Product Development, General Management including Change Management.
6.	Shri Arvind Mahajan	Finance Management, Law, Sales, Marketing, Administration, Research, Corporate Governance, Technical operations, etc

(h) Compensation or Profit Sharing

No employee including Key Managerial personnel or Directors or promoters of the company has entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

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

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

(j) Independent Directors

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

The appointment of Independent Directors is carried out in structure manner. The Nomination and Remuneration Committee identifies potential candidates based on certain laid down criteria and take into consideration the diversity of the Board. The terms and conditions of appointment of Independent Directors are available on the website of the company www.flexfoodsltd.com (weblink: https://www.flexfoodsltd.com/pdf/terms-and-condition-of-appointment-of-independent-directors/Terms_and_Condition_Appointment_of_Independent_Directors.pdf)

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(k) 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 13th February, 2023 to review the performance of Non-Independent Directors, 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.

During the year, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

(I) Familiarization Programme for Independent Directors

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

Further, the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company (weblink: <https://www.flexfoodsltd.com/pdf/Familiarization-Program-for-Independent-Directors/Familiarization-Program-for-Independent-Directors-2022-2023.pdf>)

3 Audit Committee

During the year, the Audit Committee comprises of viz. Smt. Indu Liberhan, Shri Rajendra Kumar Mishra, Shri Arvind Mahajan and Shri Rahul Razdan. Smt. Indu Liberhan is the Chairperson of the Audit Committee. All the members of the Audit Committee are Non-Executive Independent Directors except Shri Rahul Razdan who is Whole-time Director of the Company. Majority of the members of Audit Committee have accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

Smt. Indu Liberhan (Chairperson of Audit Committee) was present in the last Annual General Meeting held on 05th August, 2022.

During the year, Shri Paresh Nath Sharma ceased to be the member of the Audit Committee w.e.f. 25th May, 2022 on account of cessation from the Directorship of the Company

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and the Listing Regulations.

Details of Meetings and Attendance

During the year, the Audit Committee met Four times on 26th May, 2022, 09th August, 2022, 11th November, 2022 and 13th February, 2023. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Smt. Indu Liberhan	4	4
Shri Rajendra Kumar. Mishra	4	4
Shri Arvind Mahajan	4	4
Shri Rahul Razdan	4	4

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.

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 Director 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.

Composition and details of Meetings

The Company has a Nomination and Remuneration Committee comprising of three members viz Shri Rajendra Kumar Mishra, Smt. Indu Liberhan and Shri Arvind Mahajan. All the members of the Nomination and Remuneration Committee are Non-Executive and Independent. Shri Rajendra Kumar Mishra (Chairman of the Nomination and Remuneration Committee) was present in the last Annual General Meeting held on 05th August, 2022. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met two times on 25th May, 2022 and 11th November, 2022. All the Members have attended the meeting.

On account of Cessation from the Directorship of the Company, Shri Paresh Nath Sharma ceased to be the member of the Nomination and Remuneration Committee w.e.f. 25th May, 2022. Further, Shri Arvind Mahajan was appointed as the Member of the Committee and Shri Rajendra Kumar Mishra was elected as the Chairman of the Committee w.e.f. 26th May, 2022.

5. 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 were subject to evaluation had not participated.

6. Remuneration to Directors

Details of Remuneration paid to Whole-time Director for the year ended 31.03.2023 is given below:

(in INR)

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission paid (Rs.)	Bonus paid (Rs.)	Total (Rs.)	Service Term
Shri Rahul Razdan	70,40,016	3,70,800	-	10,00,000	84,10,816/-	3 years
Shri Madan Mohan Varshney#	8,32,645	-	-	-	8,32,645/-	3 years

ceased to be the Whole-time Director of the Company w.e.f. 05.05.2022

For any termination of contract, the Company or the Executive Director is required to give notice as per the Policy formulated by the Company.

The company does not have any stock option scheme.

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

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

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

(In INR)

Name of Directors	Board Meetings	Committee Meetings	Total
Shri Ashok Chaturvedi	1,00,000	25,000	1,25,000/-
Shri Rajeev Sharma	1,00,000	1,25,000	2,25,000/-
Smt. Indu Liberhan	1,00,000	2,50,000	3,50,000/-
Shri Rajendra Kumar Mishra	1,00,000	2,75,000	3,75,000/-
Shri Arvind Mahajan	1,00,000	1,50,000	2,50,000/-
Shri Paresh Nath Sharma #	-	50,000	50,000/-

ceased to be the Director of the Company & Committee member w.e.f. 25.05.2022

6. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee comprising of Shri Paresh Nath Sharma (Chairman), Shri Rajendra Kumar Mishra and Smt. Indu Liberhan. On account of Cessation from the Directorship of the Company, Shri Paresh Nath Sharma ceased to be the member of the Stakeholders' Relationship Committee w.e.f. 25th May, 2022. Shri Rajeev Sharma was appointed as the Member of the Committee and Shri Rajendra Kumar Mishra was elected as the Chairman of the Committee w.e.f. 26th May, 2022. The new constitution is Shri Rajendra Kumar Mishra (Chairman), Smt. Indu Liberhan and Shri Rajeev Sharma. 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.

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.

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of the Companies Act, 2013 and the SEBI LODR regulations.

During the year, the Stakeholders' Relationship Committee met three times on 17th June, 2022, 08th October, 2022 and 16th March, 2023. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Shri Rajendra Kumar Mishra	3	3
Smt. Indu Liberhan	3	3
Shri Rajeev Sharma	3	3

Shri Rajendra Kumar Mishra (Chairman of the Stakeholders' Relationship Committee) was present in the last Annual General Meeting held on 05th August, 2022.

The total numbers of complaints received and resolved during the year under review were NIL and the outstanding complaints as on 31.03.2023 were NIL. There was no valid share transfer pending for registration for more than 10 days as on the said date.

The Company Secretary acts as Secretary to the Committee.

7. 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".

8. Corporate Social Responsibility (CSR) Committee

The CSR committee has three members comprising of Shri Paresh Nath Sharma (Chairman), Shri Rajendra Kumar Mishra and Shri Rahul Razdan which was reconstituted consequent upon cessation from the Directorship of the Company by Shri Paresh Nath Sharma, Smt. Indu Liberhan was appointed as the Member of the Committee and designated to act as the Chairperson of the Committee w.e.f. 26th May, 2022.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementation of the framework of 'Corporate Social Responsibility Policy'. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

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

The meeting of Corporate Social Responsibility Committee was held on 25th May, 2022. All the members had attended the meeting.

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

9. Subsidiary Companies

The Company does not have any Subsidiary Company.

10. General Body Meetings

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

AGM/EGM	Day, Date & Time	Venue	Special Resolutions Passed
30 th	Friday, 25 th September, 2020 at 11:30 A.M.	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	- Appointment of Shri Madan Mohan Varshney (DIN: 08349956) as Whole-time Director for 3 years and fix his remuneration.
31 st	Friday, 24 th September, 2021 at 03:00 P.M.	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	- Appointment of Shri Rahul Razdan (DIN: 09290572) as Whole-time Director for 3 years and fix his remuneration. - Appointment of Shri Arvind Mahajan (DIN: 02410540) as Independent Director for 5 years.
EGM (1/2022)	Tuesday, January 04, 2022, at 11:30 A.M	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	- Increasing the Borrowing Powers of the Company - Creation of Mortgage / Charge on the Assets of the Company - Availing / Acceptance of Inter Corporate Deposit(s) / Loan(s)
32 nd	Friday, 05 th August, 2022 at 03:00P.M.	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	- Re-appointment for second term of Smt. Indu Liberhan (DIN: 03341420) as an Independent Director for 5 years.

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

During the period under review, there was no postal ballot conducted by the Company.

(ii) Whether any Special Resolution is proposed to be passed through Postal Ballot?

Special Resolution(s) as may be considered necessary/required would be passed through Postal Ballot.

(iii) 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 is 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 will enter 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.

11. Means of Communication

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

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

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

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

12. CEO/CFO Certifications

Shri Rahul Razdan, Whole-time Director and Shri Naval Duseja, Chief Financial Officer {Dy. General Manager (Finance & Account)} 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 26th May, 2023.

13. General Shareholders Information

(a) Annual General Meeting to be held

Date : 18th August, 2023
Day : Friday
Time : 03:30 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 30.06.2023 By mid of August, 2023
- Results for quarter ending 30.09.2023: By mid of November, 2023
- Results for quarter ending 31.12.2023: By mid of February, 2024
- Results for quarter ending 31.03.2024: Last week of May, 2024

(c) Book Closure date

Saturday 29th July, 2023 to Friday 18th August, 2023 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2022-2023, if declared will be paid/credited to the account of the shareholders on or after 18th August, 2023

(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 2023-2024.

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

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

(h) Stock Market Price for the year 2022-2023: -

Share prices on BSE Limited are as under:

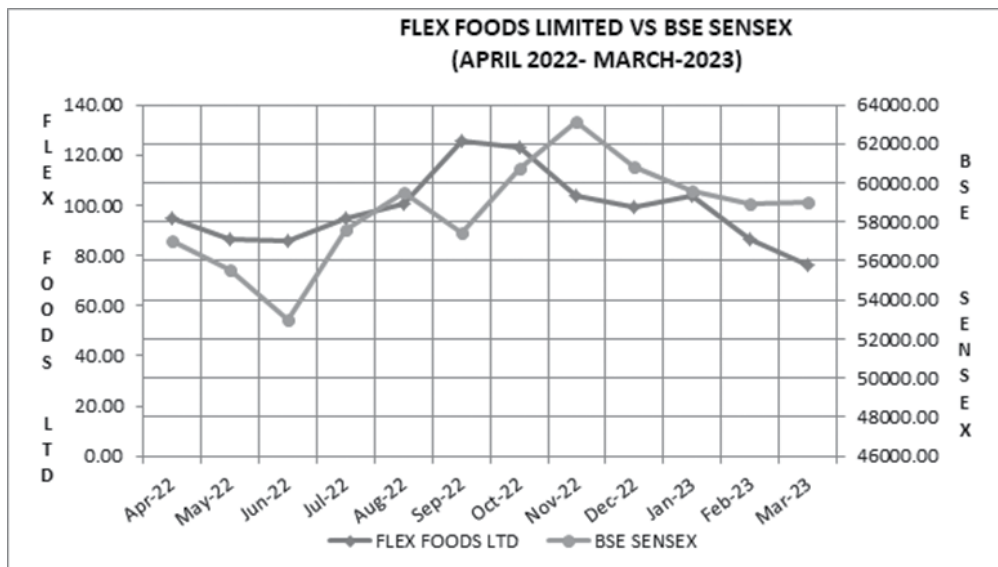
(in INR)

Month	High	Low
Apr-2022	105.20	88.50
May-2022	101.85	82.00
Jun-2022	92.20	80.00
Jul-2022	97.60	84.50
Aug-2022	103.85	89.00
Sep-2022	131.80	100.00
Oct-2022	135.00	119.00
Nov-2022	125.60	99.15
Dec-2022	110.95	95.40
Jan-2023	129.00	97.75
Feb-2023	106.70	85.00
Mar-2023	93.70	72.05

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

Performance in comparison to BSE Sensex

(Flex Foods Ltd. Share Price Vs. BSE Sensex on the last trading day of the month).



(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) **Share Transfer System**

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and have received the same under objection can re-lodge the transfer request after rectification of the documents. Further, SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, Beetal Computer and Financial Services Private Limited, for assistance in this regard.

Members may also note that SEBI vide its circular bearing number SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated: March 16, 2023 has mandated furnishing of Income Tax PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities in the prescribed forms. Any service requests or complaints received from the member will not be processed by RTA till the aforesaid details / documents are provided to RTA. On or after October 01, 2023, in case any of the above cited documents / details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.flexfoodsltd.com.

Members are advised to refer the latest SEBI guidelines/circular issued for all the holder holding securities in listed companies in physical form from time to time and keep their KYC detail updated all the time to avoid freezing their folio as prescribed by SEBI.

(l) Distribution of Shareholding as on 31.03.2023

Range	No. of Shareholders	No. of shares	% of total equity
Upto 500	11014	1270695	10.21
501 - 1000	531	429648	3.45
1001 - 2000	260	396413	3.18
2001 - 3000	90	223280	1.79
3001 - 4000	53	192333	1.54
4001 - 5000	33	154503	1.24
5001 - 10000	51	372567	2.99
10001 - 20000	22	295515	2.37
Above 20000	28	9115046	73.21
TOTAL	12082	12450000	100.00

(m) Categories of Shareholders as on 31.03.2022

Category Code	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	Shareholding of Promoters & Promoter Group			
1	Indian	9	7451191	59.85
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	7451191	59.85
(B)	Public Shareholding			-
1	Institution	1	100	0.00
2	Non-Institution	12072	4998709	40.15
	Total Public Shareholding	12073	4998809	40.15
(C)	Non-Promoter-Non-Public	--	--	--
(C1)	Share Underlying DRs	--	--	--
(C2)	Shares /held by Employee Trusts	--	--	--
	Total (A+B+C))	12082	12450000	100.00

(n) Dematerialization of Shares and liquidity

Nearly, 97.24% of total equity share capital is held in dematerialized form as on 31st March, 2023 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

(o) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in future and options related to commodities and therefore disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Company is exposed to foreign exchange risks arising from transactions entered into foreign currency. However, the Company has not undertaken any hedging activity during the year.

(p) Outstanding ADRs / GDRs / Warrants

No ADRs/GDRs/ Warrants or any convertible instrument has been issued by the Company. Hence there were no outstanding ADRs. GDRs as on 31.03.2023.

(q) Plant Locations

- (i) Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand.
- (ii) Village Chhiddarwala, Haridwar Road, Dehradun, Uttarakhand.
- (iii) Devaganapalli, Krishnagiri, Tamil Nadu.

(r) Address for Correspondence

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

Beetal Financial & Computer Services Pvt. Ltd.

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

Flex Foods Limited

305, Third Floor
 Bhanot Corner
 Pamposh Enclave
 Greater Kailash – I
 New Delhi - 110048
 Tel. No.011-26440925
 Fax No.011-26216922
 E-mail: secretarial@flexfoodsltd.com

(s) Credit Rating

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

13. 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 arm- 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. It is affirmed that no personnel have been denied access to the Audit Committee

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

c) Weblink where policy for determining "Material" subsidiaries

Presently, the Company is not having any subsidiary. However, in terms of requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has framed a policy for determining "Material" subsidiaries. The policy as approved by the Board was uploaded on the Company's website www.flexfoodsltd.com at weblink https://www.flexfoodsltd.com/pdf/Policy_for_Determining_Material_Subsiidiaries.pdf.

d) Accounting Treatment

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, by the Ministry of Corporate Affairs (MCA), the provision of the Companies Act, 2013, Guidance / Advisory issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Securities and Exchange Board of India (SEBI).

e) 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.

f) 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.

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

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

h) Management Discussion and Analysis

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

i) Details of Non-compliance, Penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority

No penalties or strictures have been imposed on the Company by /stock Exchange or SEBI or any other statutory authority on any matter related to capital market.

j) Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non-mandatory requirements of the Corporate Governance:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2023; and
- The Internal Auditor directly reports to the Audit Committee

k) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries – Not Applicable

l) Code of conduct

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

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

m) 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, 2023 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.

n) 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.

o) 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.

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

q) Total fees for all services paid by the company to Statutory Auditor, M/s MJMJ & Associates LLP, Chartered Accountants are Rs 26.48 Lakhs.

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

s) Disclosure by the Listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount – This Clause is not applicable to the Company as the Company not provided any Loans / advances in the nature of loans to the firms/companies in which directors are interested.

t) Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under Regulation 32(7A) - This Clause is not applicable to the Company as the Company not raised any fund through preferential allotment and / or QIP.

14. Other Requirements - Compliance with the Discretionary Requirements

(i) The Board

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

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

(ii) Shareholders Rights

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

(iii) Audit Qualifications

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

(iv) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee.

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.	-	-
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.	-	-

16. Disclosure with respect to Suspense Escrow Demat Account

The status of equity shares in the Suspense Escrow Demat 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.	-	-
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.	1	100

17. 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 26th May, 2023 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, 2023 as per Regulations 17, 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, 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 : 26.05.2023
Place : Noida

MEGHA JAIN
PARTNER
MEMBERSHIP NO.415389
UDIN No.- 23415389BGYBDR3170

DECLARATION

To
The members of
Flex Foods Limited

I, Rahul Razdan, 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, 2023 pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Flex Foods Limited

Rahul Razdan
Whole-Time-Director
DIN: 09290572

Place : NOIDA
Dated : 26th May, 2023

ANNEXURE -F

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.

MACROECONOMIC OVERVIEW

At the beginning of the year 2023, the outlook for the world economy was clouded by aggressive monetary policy tightening, deteriorating financial conditions and declining confidence. Global trade growth slowed in the second half of 2022, mirroring the slowdown in industrial production and economic activity across advanced economies. Economic activity also deteriorated significantly in China, to its slowest pace since the mid-1970s, due to COVID-19 related restrictions, droughts, and ongoing property sector stress. The global outlook had deteriorated markedly throughout 2022 amid high inflation, aggressive monetary tightening, and uncertainties from both the war in Ukraine and the lingering pandemic. Soaring food and energy prices has eroded real incomes, triggering a global cost-of-living crisis, particularly for the most vulnerable groups. Growth in the world's three largest economies—the United States, China, and the European Union—has weakened, with significant impact on other countries. At the same time, rising government borrowing costs and large capital outflows has exacerbated fiscal and balance of payments pressures in many developing countries. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored. Further, the unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally bank—have roiled financial markets, with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. This banking crisis hits world economy already disrupted by pandemic, war, sanctions, geopolitical tensions, and climate shocks. The current global economic slowdown cuts across both developed and developing countries. Growth momentum has weakened in the United States, the European Union, and other developed economies, adversely affecting the rest of the world economy.

The recovery of global economy is hindered by various factors, such as high energy prices, trade disruptions, and volatility. However, it appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia-Ukraine conflict. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary Policy by most central banks should

start to bear fruit, with inflation moving back toward its targets. However, the International Monetary Fund (IMF) has projected that global growth will bottom out at 2.8 percent in 2023 before rising modestly to 3.0 percent in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent in 2023 and 4.9 percent in 2024. Moreover, with global growth over the coming years not expected to overshoot pre-2022 shock forecasts, the level of global output is unlikely to recover to its previous path (Source: <https://www.imf.org/>).

While significant challenges remain in the global environment, India was one of the fastest growing economies in the world with real GDP growing 7.7 percent year-on-year during Q1-Q3 fiscal year 2022/23 (April-March, FY22/23). Growth was strengthened by robust domestic demand – strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. While the overall growth momentum remains robust and real GDP growth for FY22/23 is estimated to be 6.9 percent, there were signs of moderation in Q3 as growth slowed to 4.4 percent year-on-year (y-o-y). There was also a change in the composition of domestic demand in Q3 FY22/23 with a lower share from government consumption as fiscal consolidation efforts continued. Estimates suggest that the pandemic induced a spike in extreme poverty (\$2.15), of up to 4 percentage points, moderated in FY21/22. Facilitated by widespread access to vaccines, extreme poverty rates are estimated to have declined to 13.8 percent in FY21/22, although not as low as pre-pandemic levels. Continued poverty reduction in FY22/23 will depend on how the economic rebound translates into productive jobs for the bottom half of the population and the welfare implications of fiscal consolidation efforts (Source: <https://worldbank.org/>).

World Bank Report indicates that India's economy has been relatively resilient to challenging external conditions, real GDP growth is likely to moderate to 6.3 percent in FY23/24 from the estimated 6.9 percent in FY22-23. Domestic demand is likely to remain robust despite an expected tempering of consumption growth. Consumption is expected to be constrained by rising borrowing costs, slower income growth and continued fiscal consolidation. Investment activity is expected to be supported by the government's sustained capex-push and improved corporate and banking sector balance sheets due to healthy corporate profits and a reduction in non-performing loans (NPLs), respectively. Moderating consumption growth, easing global commodity prices and the lagged effect of monetary policy tightening is expected to bring headline inflation within the RBI's target range despite core inflation remaining elevated. On the external front, the negative contribution of net exports will be smaller due to the strong performance of service exports and a gradual decline in the import bill. The narrowing trade deficit will contribute to the current account deficit reducing to 2.1 percent from around 3 percent in FY 22-23. The general government deficit will likely consolidate by 0.7 percentage points to 8.7 percent in FY23-24 due to continued, albeit slower, revenue growth and lower current spending, reflecting the withdrawal of pandemic-related support programs. The lower projected fiscal deficit will stabilize the debt-to-GDP ratio at around 83 percent (Source:

<https://worldbank.org/>.

Industry Scenario and Development

The global processed food products industry is rapidly changing, with rising demographics, increased demand for branded and convenience food products and a growing consumer focus on organic food and clean label food products. Food processing ingredients are products derived from minimally processed food through refining, milling, pressing, or grinding processes. These products are not directly consumed but are used to prepare minimally processed foods.

The global food processing market is anticipated to reach USD 235.67 billion by 2028 (Source: <https://www.verifiedmarketresearch.com/>). Innovation in food processing machinery is one of the major factors anticipated to bolster the food processing market. Other factors include the surge in the adoption of automated technologies in the food processing industry and increasing R&D in food processing machinery. Some of the emerging trends that have a direct impact on the dynamics of the food processing industry include:

- **A global shift towards healthy eating and healthy alternatives**

The market's drivers are a shift in consumer preferences toward healthier foods, population growth, improved cold chain logistics, and the adoption of automation systems and products. Players in the food processing ingredients market are poised to capitalise on this opportunity. Health-conscious consumers have reduced their consumption of sweeteners, carbohydrates, and high-fat foods. Another trend that is expected to grow is the use of new raw materials derived from marine sources which are used due to desirable oil and fiber content.

- **Innovating process, products, and packaging**

Novel processing techniques, products & packaging food processors are being developed & marketed in order to appeal to consumer demand. A most exciting new food processing trend is the use of high-pressure processing and it is gaining pace among food producers for more natural applications, such as ice cream and cookie dough. This is a low-temperature pasteurization technique.

High-pressure processing has its own challenges, such as the equipment expense, and the need for packaging which can withstand high pressure. It also does not completely eradicate microbes and therefore products refrigeration as well which adds to additional costs. Despite challenges, it is witnessing wider adoption as High-pressure processing manufacturers & packaging suppliers innovate to enhance throughput and hence decrease processing costs.

Another reason why food scientists are so excited about the future of food is the development of alternative proteins. The aim of alternative proteins is to make cell-based & plant-based products that possess the same/better taste & feel and cost the same or less than comparable animal proteins. While Plant-based foods have started replacing such animal products that include ice cream, meat, chicken & pet food, cell-based meat & seafood, such as burgers that have the taste with blend of animal protein.

In order to complement these spaces & create a more authentic eating experience there has been innovation in cell-based fats. These products leverage novel technologies, such as extrusion, which have been scaled up for commercial-scale manufacturing by engineers.

- **Increasing consumer preference for sustainable products**

There is consumer pressure that continues to grow in the food industry in order to remove the food industry's high reliance often on single-use plastics, decrease waste & produce food in a sustainable way.

- **Decreasing packaging waste**

Since there is a science to food packaging, food businesses have to ensure food safety & satisfy consumers, but at the same time they should carefully balance product quality, appearance, functionality, price as well as environmental impact. Fueled by corporate responsibility as well as consumer demand, manufacturers are now taking a proactive approach to prioritizing sustainability in their packaging.

- **Economic development in developing region is providing abundance growth to global market**

Economic development is critical to increasing the number of distributors of specialty food ingredients in the developing regions. The key parameters that determine growth in processed food consumption in developing economies are disposable income and population purchasing power parity. GDP growth in emerging markets is expected to drive demand for value-added products and thus distribution. Consumer preferences for functional foods and processed foods are changing in these emerging markets, which are also available in modern retail formats such as supermarkets and hypermarkets.

The food processing sector in India encompasses manufacturing enterprises in all the segments from micro to large industries. India is having competitive advantage in terms of resource endowment, large domestic market and scope for promoting value added products. India's food processing sector in recent years has been known for its high growth and high profits, thus, increasing its contribution to the world food trade every year. The food processing sector is the fifth-largest sector in terms of production, consumption, exports and there is growth potential. India's food processing industry is primed for rapid expansion and will contribute significantly to the country's economic prosperity. India ranks number one globally, in the production of pulses, pearl millet and cotton, and second in wheat, rice, groundnut, rapeseed & mustard and sugarcane. The country has emerged as the largest exporter of rice in the recent past. Such achievements became possible with the innovations in technologies including high-yielding varieties, irrigation, fertilizer, and farm policies (Source: www.icar.org.in).

BUSINESS OVERVIEW

Over the decade, India has achieved tremendous growth in terms of industrialization and globalization. Since India is a global agricultural powerhouse, agriculture with its allied sectors, is unquestionably the largest livelihood provider in India, especially in vast rural areas. It also contributes a significantly to the Gross Domestic Product (GDP). Sustainable agriculture, in terms of food security, rural employment, and environmentally sustainable technologies such as soil conservation, sustainable natural resource management and biodiversity protection, are essential for holistic rural development. Indian agriculture and allied activities have witnessed a green revolution, a white revolution, a yellow revolution and a blue revolution.

India's food processing sector is a sunrise sector that has gained prominence in recent years. Major processed food products exported from India include processed fruits and juices, pulses, guar gum, groundnuts, milled products,

cereals preparations, oil meals and alcoholic beverages. India created history in agriculture and processed food exports by exporting products worth US\$ 25.6 billion in FY22. Export of APEDA (Agriculture and Processed Food Product Export Development Authority) products stood at US\$ 7.4 billion as of April-June 2022, up 31% compared with US\$ 5.7 billion over the same period last fiscal, according to the Directorate General of Commercial Intelligence and Statistics. Furthermore, exports of processed fruits and vegetables grew by 59.1%; cereals and miscellaneous processed items grew by 37.66%; meat, dairy and poultry products grew by 9.5%; basmati rice grew by 25.5%; non-basmati rice grew by 5%; and miscellaneous products grew by 50%. The Indian food processing industry is among the largest in the nation in terms of growth, production, consumption and exports (*Source: <https://apeda.gov.in/>*).

The Company is engaged in the cultivation and processing of Culinary Herbs, Mushrooms, Fruits, and Vegetables for more than three decades. It is primarily involved in the cultivation and processing of Mushrooms, Herbs, Fruits and Vegetables in Freeze-Dried, Air-Dried and Individually Quick-Frozen (IQF) form. The Company's Air-dried products includes Oregano, Basil, Parsley, Thyme, Sage, Mint, Coriander- Cilantro, Dill, Marjoram, Savory, Chervil, Chives, Curry Leaves, Fennel, Lemon Grass, Rosemary, and Thai Basil. Further, Papaya, Strawberry, Mango, Banana, Pineapple, Sapota/Chikoo and Apple are the Frozen fruits products. Baby Corn, Mushrooms and Sweet Corn are also available in Canned form. The Company's Nutraceutical products includes White Musli, Wheat Grass, Stevia, Shitake Mushroom, Shallaki, Senna, Raw Papaya, Moringa, Holy Basil, Hibiscus, Reishi Mushroom, Ginger, Garlic, Giloy, Green Peppercorn, Chamomile, Bitter Gourd, Bahera and Asparagus/ Shatavari. The Company has manufacturing facilities in Dehradun, Uttarakhand, India. Further, the Company has set-up a manufacturing facility for Air Drying/ Freeze Drying of Vegetables, Fruits, Culinary Herbs and spices, at Krishnagiri in Tamil Nadu.

• **Mushroom Business**

Surge in consumption of vegan diet across globe has become a key growth factor of mushroom market. High nutritional contents found in mushrooms have made their use popular in diet. The global mushroom market is witnessing a significant growth in the demand for mushrooms with each passing year. As per the "Mushroom Global Market Report 2023" by "The Business Research Company", the global mushroom market size grew from \$57.18 billion in 2022 to \$62.44 billion in 2023 at a compound annual growth rate (CAGR) of 9.2%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The mushroom market size is expected to grow to \$90.88 billion in 2027 at a CAGR of 9.8% (*Source: <https://www.thebusinessresearchcompany.com/>*).

The global Mushroom Market by geography has the dominant share in Asia Pacific. The consumption of mushroom in Asian countries such as Japan, India, and others is increasing at a significant pace attributed by

increasing production along with the increased import of mushrooms in these countries. Utilization of advanced mushroom processing techniques by mushroom producers and distributors in Europe is set to contribute to the growth of the processed mushroom sales across the region. The Company has a strong international presence (the US and European markets) through established distribution channels and exports, primarily to Europe and the US.

• **Fruits and Vegetables**

Fruit and vegetable processing refers to a method of increasing shelf life and retaining the quality of fruits and vegetables for long-term preservation. When fruits and vegetables are processed, their shelf life is extended. India is the largest producer of Fruits and Vegetables and there is a huge opportunity in harnessing the potential of fruits and vegetables processing in the form of frozen (IQF), canned, pulp, puree, paste, sauces, snacks, dressings, flakes, dices, dehydration, pickles, juices, slices, chips, jams and jelly. The growth in the demand for convenience food products is driving the fruit and vegetable processing market. Convenience food is often referred to as tertiary processed food that is ready-to-eat processed foods. Convenient food includes fruits and vegetable which is prepared (usually by processing) in a manner that they can be consumed directly.

• **Herbs and Spices**

The changing consumer preferences are driven by the increasing awareness of the health benefits of herbs and spices. The consumers are becoming more health conscious and are looking for healthy food options. The herbs and spices offer a wide range of health benefits such as reducing the risk of chronic diseases, boosting immunity, and improving digestion. The shift in consumer palates in favour of low-sugar foods products and rising interest in exotic flavours are driving herbs and spices sales. The Company is India's leading freeze-dried herb, food, and vegetable maker. It has made its position as a pioneer in freeze-dried herb manufacture. The Company seek to bridge distribution gap with the best quality produce of freeze-dried herbs, fruits, and vegetables in the market. Freeze-dried herbs have a well-known shelf life. The food processing industry is booming with unique opportunities. Freeze-dried herbs are one particular niche of preserved foods with massive potential for value addition.

PRODUCT-WISE PERFORMANCE

Sale of Finished Goods

Description	Current Year		Previous Year	
	Quantity (In MTS)	Value (Rupees in Lacs)		Quantity (In MTS)
Processed Foods	2188	10172.09	Processed Foods	2188
Other	990	1173.03	Other	990
Total	3178	11345.12	Total	3178

OPPORTUNITIES AND THREATS

The food processing industry across the globe is rapidly rising with changing demographics, increasing demand for branded and convenience food products, growing trend towards clean

label products and other factors. Processed food products include, range of minimally processed food products to complex food preparations to combine a wide array of food processing ingredients. Increasing demand for processed food products along with increasing consumers spending on-the-go food products is the prime factor creating market growth of food processing ingredients in the near future. Food processing ingredients covers ingredient such as, emulsifiers, flavors, spices, enzymes, proteins, preservatives and others. Asia pacific is one of the fastest growing regions with increasing demand for packaged food products with India being one of the largest exporters. Changing lifestyle, increasing working women and increasing consumption ready to eat food products in urban areas is pushing the market for food processing products, ultimately the market for food processing ingredients.

- **Opportunities**

India is one of the world's largest food producers where processed food is merely 8% of the total produce. However, the country's food processing market has immense potential in terms of production, consumption as well as export and import prospects. In comparison to other countries, Indian processed food industry has an advantage in terms of easy availability of manpower and raw materials, untapped market of over one billion populations, government initiatives in the form of loans, technical support, and tax holidays. The massive demand for Indian food products across the globe has opened a plethora of opportunities for Indian manufacturers resulting in the growth of the food processing industry.

- **Fortification of Foods:**

Food fortification involves adding micronutrients such as vitamins and minerals to increase the nutritional value of food products. Currently, 46% of the vegetable oil produced by big players in the refined packaged oil industry in India is being fortified. Also, more than 36% of packed milk in India is fortified. Vitamin D fortified milk helps in reducing the incidence of rickets. Owing to the increasing consumption of protein and vitamin-enriched food products, the fortified food industry in India is growing at a rapid pace. To fight malnutrition in India, the government has launched several initiatives to boost the fortification of food products.

- **The Rise of Plant-Based Foods:**

The plant-based food industry in India is growing at a tremendous pace as consumers are adopting a sustainable lifestyle. Vegetarians, flexitarians, meat consumers, and protein deficient consumers are considered as the target consumer group. Plant-based food sector mainly comprises plant-based meat and milk products.

- **The shift towards Chemical-Free Food Additives:**

Due to the rising demand for natural food additives, food processing industries are shifting away from chemical-free additives and replacing them with natural food additives such as stevia, coconut sugar, black pepper oleoresin, gum arabic, carrageenan, etc. There are various segments of food additives such as preservatives, sweeteners, food colorants, antioxidants, emulsifiers, flavour enhancers, thickeners, etc. Natural food colorants are produced from parts of plants, algae, fungi, and mould. Natural sweeteners include thaumatin, glucose-fructose syrup, xylitol, neohesperidin DC, etc. Many food processing

industries are using synthetic food additives as they are less expensive.

- **The Surge in Demand for Immunity Boosting Food Products:**

An increase in awareness among consumers about the health benefits of immunity-boosting foods is driving the market. According to product type, immunity-boosting products are broadly classified as foods, beverages, and dietary supplements. Immunity-boosting foods are further classified as instant foods and seeds while beverages are classified as juice, probiotic shots, etc. The outbreak of the COVID-19 pandemic has accelerated the growth of immunity-boosting foods. An increase in adulteration of foods has caused a lack of nutrition among consumers and has resulted in a surge in demand for immunity-boosting foods.

- **Challenges**

The food processing industry transforms raw food grains, fruits, vegetables, or dairy products into merchandise that have a high shelf life. They have better taste and more nutritious values; for instance, products like jams, jellies, juices, etc. The food processing industry has excellent potential as it makes products that are used by all households regularly. This sector generates a lot of employment and helps reduce the problem of high food wastage. If the processed products have a unique taste and conform to high standards of hygiene, then they can provide huge profits. There are several challenges that the food processing industry has to face and overcome on an everyday basis.

- **Difficulties in living upto the Food Safety Standards:**

Processed foods like juices, jams, and jellies must conform to high food safety standards. The fruits and vegetables used for processing undergo long periods of storage. Hence there is a high probability that they might begin to rot. Also, if the acidity levels of the jams and juices are not kept under tight check, they begin to harbor microorganisms. The growth of bacteria in canned food produces several life-threatening diseases like Botulism and Shigellosis. Hence, governments worldwide have set very high safety standards for these industries. Thus, food processing industries try their best to operate under sterile conditions. Minimizing the scope for human contact reduces the chances of bacterial growth. If clean automated machines are used for all processes, bacterial growth cases can be significantly reduced. Hence, these industries try to use automatic sealing machines for sealing containers, mechanical blades for cutting raw materials, etc.

- **Limited availability of equipment:**

Food processing industries need equipment like blades, valves, mixers, sorting machines, etc. Due to financial constraints, the appropriate equipment may sometimes be unavailable. In many of these industries, sorting and cleaning operations are done manually. Again, the workers might lack the technical know-how required to operate all the equipment/ machines. All this reduces the overall efficiency of the industry. For instance, valves are a must to control the movement of liquids and gasses while processing raw materials. Sometimes it is necessary to stop or open the flow of a substance totally, and sometimes it has to be done in a controlled manner.

Therefore, it is essential to have knowledge of operating equipment/ machines.

- **Lack of economic sustainability:**

Food processing industries frequently suffer from a lack of economic sustainability. Several factors reduce the profit margins of these industries, such as stiff competition, high food safety compliance burdens, etc.

The industry is vulnerable due to climatic and environmental factors, resource scarcity, and periodic governing regulatory changes. Other significant challenges include infrastructure, seasonal fluctuations in raw material availability, and a lack of knowledge resulting in technological barriers in developing regions. It is a major impediment to the growth of the market for food processing ingredients. Furthermore, an insufficient supply chain in developing economies is limiting the market growth. Further, the food processing industry has to deal with pests, government policies, and other challenges. However, there are examples of small-scale food processing units doing very well and creating a brand for themselves not only in the country of origin but also overseas. Thus, using innovative ideas and dedicated efforts, all challenges can be dealt with effectively.

FUTURE OUTLOOK

The food processing industry continues to experience significant growth and to handle that growth, organizations are spending more time evaluating existing conveyor systems, determining the need for new systems, and selecting the best system for their specific needs. India's food processing sector, a shining pillar of the Indian economy, has been booming in recent years. Holding a place among the largest food processing industries in the world, it is responsible for a significant portion – about 32 per cent – of India's overall food market. India, has emerged as the second largest producer of agricultural goods and an abundant source of fruits and vegetables. Its dairy, marine, poultry, and meat industries are thriving and leading the world in production. Additionally, the Indian gourmet food market is rapidly expanding at a rate of 20 per cent annually. Driven by the high-value processing of various agricultural products, increased urbanization, rising disposable incomes, the rise of nuclear families, and the demand for convenient food, India's food processing industry is expected to grow at rapid pace. The COVID-19 pandemic has further boosted growth by shifting customer preferences towards branded packaged goods and promoting a healthier lifestyle. With the market becoming increasingly competitive, customers now have more options with the introduction of new products and market. This strong growth is expected to continue in the foreseeable future.

Further, with changing consumer needs, the government's focus on growth of food processing sector, developing infrastructure, and improvements in agriculture, India's food processing ecosystem is at an inflection point, poised for exponential growth. Domestic players as well as international players have identified this potential and are gearing up for this paradigm shift which will see India move up the global rankings as one of the top food processing countries.

RISKS AND CONCERNS

As the food processing industry attempts to recover from the aftermath of the pandemic, industry leaders are encouraged to identify, evaluate, and mitigate the risks in the market. Consumers' changing preferences, supply chain disruptions, current economic conditions, and, most importantly, food

safety, are some of the risks of food processing. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class businesses that best match organisational capability with opportunities in domestic and international markets, developing capabilities and competencies for the future in order to enhance competitiveness and win in the markets of tomorrow. The Company continues to focus on a system-based approach to business risk management and has been able to mitigate such risks by working upon strengthening its supply chain and increasing its customer base. The Company has in place sound corporate governance structure and practices in place aligned with the food processing industry. It also has thorough understanding of regulator expectations, business processes and challenges.

INTERNAL CONTROL SYSTEM, THEIR ADEQUACY AND OPERATIVE EFFECTIVENESS

Recognising and tracking the Internal Control Systems is a critical part in an organization and the Company has a well-framed internal control system commensurate with the size and nature of its business. These internal controls ensure safeguarding of assets from unauthorised use or disposition, proper recording and reporting of all transactions and compliance with applicable regulatory requirements. The internal control systems are reviewed and modified continually to keep up with the changes in business environment and statutory requirements. The company has a secured system of internal controls which works together with internal financial controls that are repeatedly administered by the Management. The Internal Control System of the Company shows proficiency in operations; make the best use of resources and adhere with all applicable laws and regulations. The Company's internal auditors are responsible for providing assurance on compliance with operating systems, internal policies and legal requirements, as well as suggesting improvements to systems and processes. The Company has also identified and documented key internal financial controls for critical processes across plant, warehouses and offices wherein financial transactions are undertaken. The financial controls are evaluated for operating effectiveness through management's ongoing monitoring and review process, and independently by Internal Audit. Key controls are examined during the year and restorative and precautionary actions are taken for any fault. Internal audits are organized systematically by designated audit teams. 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. The Audit Committee sanctions the risk based internal audit plan which also reviews worth and efficacy of the Company's internal financial controls.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company's conviction that human capital is the primary factor in driving strategic growth has been strengthened. The Company has developed a work culture that emphasises the creation of an organisation prepared for the future. The Company fosters a safe, inclusive and collaborative work environment for the overall growth and welfare of the employees. The HR policies of the Company are aimed at attracting, nurturing and retaining talented employees in a constantly evolving business environment while ensuring trust, transparency and teamwork amongst its employees. The Company continuously organises training programmes for its

employees in different areas viz. technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct enabling them to evolve with technological advancements. The Company's permanent employee strength stood at 478 as on 31st March, 2023. The Company's industrial relations continued to be harmonious during the year under review.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

Maintaining safety of all stakeholder(s), be it internal or external, is a humongous task, especially in today's challenging times. The aim of the Company is to develop business while improving its environmental performance in order to create a more sustainable future. In order 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 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.

A. FINANCIAL CONDITIONS

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2023	March 31, 2022	Growth %
Land & Investment Property	1397.81	1397.81	-
Buildings	8010.16	2582.50	210.17
Plant & Equipment's	20700.96	11139.58	85.83
Electrical Fittings & Installations	1458.67	451.40	223.14
Office Equipment's	412.80	130.96	215.21
ERP Software	32.49	32.49	-
Furniture & Fixtures	105.34	46.18	128.11
Vehicles	204.15	192.48	6.06
Right of use assets	233.35	-	-
Total	32555.73	15973.40	
Less: Acc. Depreciation	9148.52	8178.95	
Add: CWIP	4873.27	12364.03	
Net Fixed Assets	28280.48	20158.48	

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, 2023		Year ended March 31, 2022	
	Amount	%	Amount	%
INCOME				
Revenue from operations	11732.60	99.50	11188.16	99.71
Other income	58.33	0.50	32.41	0.29
Total Revenue	11790.93	100.00	11220.57	100.00
EXPENDITURE				
Raw Material Consumed	2912.77	24.70	2389.59	21.30
Purchase of Stock in Trade	231.30	1.96	244.88	2.18
(Increase)/Decrease in stock	(947.67)	(8.04)	120.02	1.07

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	%	Amount	%
Change in Inventory of Biological Assets	2.90	0.03	(6.52)	(0.06)
Gain in Change in fair value of Biological Assets	(3.08)	(0.03)	(2.66)	(0.02)
Manufacturing Exp.	4009.18	34.00	2879.69	25.66
Payment & Benefit to Emp.	2065.40	17.52	1697.53	15.13
Administrative, Selling & Other Expenses	2349.31	19.93	1897.08	16.91
OPERATING EXPENSES	10620.11	90.07	9219.61	82.17
EBDIT	1170.82	9.93	2000.96	17.83

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 2022-23	FY 2021-22	Change	Reason for change
Debt Equity Ratio	2.31	1.31	76.3%	The significant change in these ratios is due to the additional borrowings raised by the Company during the year for its Expansion Project at Krishnagiri, Tamil Nadu. The operation of this plant has partially commenced from 26 th September, 2022. The plant will fully commence in FY 2023-24.
Debt Service Coverage Ratio	0.66	10.68	-93.80%	
Return on Equity	-9.8	8.3	-218.40%	Change is due to increase in expenses in the current year due to partially capitalization of Tamil Nadu plant.
Inventory Turnover Ratio	0.77	1.36	-43.40%	Change is due to increase in Closing Stock which is due to Low sale volumes in comparison to estimations because of the recession in both USA and Europe market as company has major part of its sales from export.
Trade Payables Turnover Ratio	2.18	3.04	-28.30%	
Net-Profit Ratio	-9.34%	8.39%	-211.4%	Change is due to increase in expenses in the current year due to partially capitalization of Tamil Nadu plant.
Return on Capital Employes	-2.49%	4.79%	-151.90%	<p>a. The significant change in these ratios is due to the additional borrowings raised by the Company during the year for its Expansion Project at Krishnagiri, Tamil Nadu. The operation of this plant has partially commenced from 26th September, 2022. The plant will fully commence in FY 2023-24.</p> <p>b. Change is due to increase in expenses in the current year due to partially capitalization of Tamil Nadu plant.</p>

ANNEXURE 'G'

SECRETARIAL COMPLIANCE REPORT OF M/S. FLEX FOODS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **FLEX FOODS LIMITED** ('the listed entity'), having its Registered Office at Lal Tappar Industrial Area, P.O. – Resham Majri, Haridwar Road, Dehradun (Uttarakhand). Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- a) all the documents and records were made available to me and explanation provided by **FLEX FOODS LIMITED** (the "Listed Entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **31st March, 2023** ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulations) Act, 1956 ("**SCRA**"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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 and Sweat Equity) Regulations, 2021;– **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 Non-Convertible Securities) Regulations, 2021 – **Not applicable as the Company has not issued any Non-Convertible Securities during the year under review.**
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

And circulars/ guidelines issued thereunder;

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

- I (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: NIL

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.					

(b) The listed entity has taken the following actions to comply with the observations made in previous reports: **NIL**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.					

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observations/ Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
i.	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	--NA--	There is no resignation of Auditor.
ii.	If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	--NA--	
iii.	If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	--NA--	
2.	Other conditions relating to resignation of statutory auditor		
i.	Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	--NA--	There is no resignation of Statutory Auditor.
a.	In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non- cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.		
b.	In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	--NA--	
c.	The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	--NA--	
ii.	Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	--NA--	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	--NA--	There is no resignation of Auditor.

III. I, hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	--YES--	
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	--YES-- --YES--	
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website 	--YES— --YES— --YES--	
4.	Disqualification of Director: None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	--YES--	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	--N.A.— --N.A.—	There is no Subsidiary.
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	--YES--	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees during the financial year as prescribed in SEBI Regulations.	--YES--	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	--YES— --NA--	There is no such transaction(s).

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	--YES--	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	--YES--	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided paragraph herein	--YES--	
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	--YES--	

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For Mahesh Gupta and Company
Company Secretaries**

**Mahesh Kumar Gupta
Proprietor**

**FCS No.: 2870; C P No.: 1999
Peer review certificate no. 727/2020
UDIN NO.: F002870F000384207**

**Place : Delhi
Date: 26th May, 2023**

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
FLEX FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **FLEX FOODS LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2023, and the losses and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

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

Sr.No	Key Audit Matters	Auditor response
1.	Evaluation of uncertain tax positions 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	Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2023 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, 2022 to evaluate whether any change was required to management's position on these uncertainties.
2	Capitalization of Property, Plant and Equipment (PPE) The Company continues to invest in significant capital projects with capital expenditure during the current year. The significant level of capital expenditure requires consideration of the determination of the timing of asset ready for its intended use by the management and the nature of costs incurred to ensure that capitalisation of Property, Plant and Equipment meets the specific recognition criteria in Ind AS 16, 'Property, Plant and Equipment', specifically in relation to assets constructed / installed by the Company and the direct incidental cost capitalised with the Property, Plant and Equipment.	Our audit procedures included and were not limited to the following: <ul style="list-style-type: none"> Examined the useful economic lives with reference to the Company's historical experience, intended use and expected number of shifts PPE will be used and Assessed the nature of the additions made to Property Plant and Equipment in compliance with Ind AS – 16 on 'Property, Plant and Equipment'. Obtained an understanding and assessed the design, implementation and operating effectiveness of controls in respect of the timing and amounts capitalised with the Property, Plant and Equipment; Performed substantive analytical procedures assessing the nature of Property, Plant and Equipment capitalised by the Company to verify the validity of amounts capitalised and evaluating whether assets capitalised meet the recognition criteria set out in Ind AS 16.

Sr.No	Key Audit Matters	Auditor response
	Due to the above, capitalisation of Property, Plant and Equipment involves the risk of material misstatement as a result of the long-term nature and complexity of the specific projects and hence has been identified as Key Audit Matter.	<ul style="list-style-type: none"> Performed substantive analytical procedures assessing the nature of Property, Plant and Equipment capitalised by the Company to verify the validity of amounts capitalised and evaluating whether assets capitalised meet the recognition criteria set out in Ind AS 16.
3	Revenue Recognition The Revenues of the Company consists primarily of sale of products. The Company assesses the activities promised in a contract and identifies distinct performance obligations in the contract, where applicable. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgment.	Our audit procedures included and were not limited to the following: <ul style="list-style-type: none"> Evaluation and testing of the design and operating effectiveness of the relevant business process controls, inter-alia controls over the capture, measurement, and authorization of revenue transactions. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents. Read, analysed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that identified and recorded by the Company. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. Considering any trade discount/ volume discount given to the customer as adjustment to sales consideration and verifying the control process adopted by the company in recognizing the same in financial statement in accordance with Ind AS 115.
4.	Ind AS 116 on Leases The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or where the underlying asset has a low value.	Our audit procedures included the following: <ul style="list-style-type: none"> Assessing the accounting regarding leases with reference to consistency with the definitions of Ind AS 116. This includes factors such as lease term, discount rate and measurement principles; Examining the Company's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability; and Ensuring the necessary disclosures in the Financial Statements.

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 the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:-
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant Books of Account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 B";
 - 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.
- iv.
 - a) The management has represented, that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any other persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (b) contain any material mis-statement.
- (v) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

MEGHA JAIN
PARTNER

MEMBERSHIP NO. 415389
UDIN NO.23415389BGYBEX7734

PLACE:- NOIDA
DATED:- 26.05.2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF "FLEX FOODS LIMITED" ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of "FLEX FOODS LIMITED" ("the Company") for the year Ended on **31st March 2023**, we report that:

i. In respect of Property, Plant and Equipment and Intangible assets of the Company:

- a) A. According to information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- B. According to information and explanation given to us, the Company has maintained proper records showing full particulars of Intangible Assets.
- b) According to information and explanation given to us, the Property, Plant & Equipment 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 all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) including investment property are held in the name of the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company hasn't revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year as the company follows Cost model.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of Inventories of the Company:

- a) 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 and in our opinion the coverage and procedure of such verification by the management is appropriate and No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with banks or financial institution are in agreement with the books of account of the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company hasn't made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- 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, 2020 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, 2020 are not applicable to the company.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Customs duty, Cess and any other material statutory dues as applicable with the appropriate authorities.

And according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employees' state insurance, income tax, duty of customs, Cess, Goods and Service Tax and other applicable statutory dues were in arrears as at 31st March 2023 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 31 March 2023 on account of dispute are given below:

Disputed Customs and Central Excise Dues:- Aggregate Duty of Rs. 554.97 lakhs pending before Commissioner (Appeals) Dehradun.

- viii. According to the information and explanations given to us and the records of the Company examined by us, the company has not surrendered or disclosed any transaction previously unrecorded as income in the books of account in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. a) 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 loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and the records of the Company examined by us the Company has not been declared as a willful defaulter by bank, financial institution or other lender;
- c) According to the information and explanations given to us and the records of the Company examined by us the term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and the records of the Company examined by us the Company, the funds raised on short term basis have not been utilised for long term purposes.
- e) According to the information and explanations given to us and the records of the Company examined by us the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and the records of the Company examined by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) According to the information and explanations given to us and the records of the Company examined by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provision of clause (x)(a) of Para 3 of the Companies (Auditor's Report) Order, 2020 is not applicable to the company.
- b) According to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provision of clause (x)(b) of Para 3 of the Companies (Auditor's Report) Order, 2020 is not applicable to the company.
- xi. a) According to the information and explanations given to us and the records of the Company examined by us, there is no fraud by the company or any fraud on the company has been noticed or reported during the year.
- b) According to the information and explanations given to us and the records of the Company examined by us, there is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government,
- c) According to the information and explanations given to us and the records of the Company examined by us, there are no whistle-blower complaints received during the year by the company.
- 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, 2020 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. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date for the period under audit.
- 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 section 192 of clause (xv) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- xvi. a) 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. Therefore, the provisions of clause (xvi)(a) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- b) According to the information and explanations given to us and the records of the Company examined by us, the company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to hold Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi)(b) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

- c) According to the information and explanations given to us and the records of the Company examined by us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause (xvi)(c) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- d) According to the information and explanations given to us and the records of the Company examined by us, The company does not have any CIC in the group. Therefore, the provisions of clause (xvi)(d) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- xvii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors during the year. Therefore, the provisions of clause (xviii) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- xix. According to the information and explanations given to us and the records of the Company examined by us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balancesheet date will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and the records of the Company examined by us, there is no unspent amount under sub-section (5) of section 135 of Companies Act, pursuant to any project. Therefore, the provisions of clause (xx)(a) and (xx)(b) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

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

MEGHA JAIN
PARTNER

PLACE:- NOIDA
DATED: - 26.05.2023

MEMBERSHIP NO. 415389
UDIN No. 23415389BGYBEX7734

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31STMARCH 2023

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 31stMarch 2023 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 31stMarch 2023, 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 MJM & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013**

**MEGHA JAIN
PARTNER**

**PLACE:- NOIDA
DATED: -26.05.2023**

**MEMBERSHIP NO. 415389
UdinNo. 23415389BGYBEX7734**

BALANCE SHEET AS AT 31ST MARCH, 2023

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I ASSETS			
1 Non-Current Assets			
a) Property, Plant and Equipment	2(A)	23,172.69	7,793.28
b) Capital work-in-progress	2(B)	4,855.58	12,364.03
c) Investment Property	2(C)	1.17	1.17
d) Intangible assets	2(D)	-	-
e) Right of Use Assets	2(E)	233.35	-
f) Intangible Assets under development	2(F)	17.70	-
g) Financial assets			
i) Loans	3(A)	-	-
ii) Other financial assets	4(A)	185.53	144.22
h) Other Non-Current Assets	5(A)	35.96	1,890.48
Total Non-Current Assets		28,501.98	22,193.18
2 Current Assets			
a) Inventories	6	3,624.43	1,937.41
b) Biological Asset	7	53.55	56.45
c) Financial assets			
i) Trade Receivables	8	2,992.48	2,720.77
ii) Cash and Cash Equivalents	9	221.53	1,269.33
iii) Bank Balances other than (ii) above	10	76.76	294.74
iv) Loans	3(B)	3.57	5.13
v) Other financial assets	4(B)	64.27	74.20
d) Current Tax Assets (Net)		53.95	-
e) Other Current Assets	5(B)	2,300.30	1,461.17
Total Current Assets		9,390.84	7,819.20
TOTAL ASSETS		37,892.82	30,012.38
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11(A)	1,245.00	1,245.00
b) Other equity	11(B)	8,957.08	10,141.51
Total Equity		10,202.08	11,386.51
Liabilities			
1 Non-current liabilities			
a) Deferred Government Grants	12	177.31	147.61
b) Financial liabilities			
i) Borrowings	13(A)	18,279.56	10,606.72
ii) Lease Liabilities		170.50	-
c) Provisions	14(A)	143.50	137.13
d) Deferred Tax Liabilities(Net)	15	218.69	572.06
Total Non-current liabilities		18,989.56	11,463.52
2 Current Liabilities			
a) Financial liabilities			
i) Borrowings	13(B)	5,074.78	4,263.35
ii) Lease Liabilities		43.00	-
iii) Trade Payables:	16		
Total Outstanding dues of micro enterprises and small enterprises		566.97	342.59
Total Outstanding dues of creditors other than micro enterprises and small enterprises		1,331.06	707.71
iv) Other financial Liabilities	17	743.12	786.27
b) Other current liabilities	19	476.81	399.98
c) Provisions	14(B)	465.44	453.47
d) Current tax liabilities(Net)	18	-	208.98
Total Current liabilities		8,701.18	7,162.35
TOTAL EQUITY AND LIABILITIES		37,892.82	30,012.38

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

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 26TH May, 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2023	For the year ended 31.03.2022
Income			
I Revenue from Operations	20	11,732.60	11,188.16
II Other Income	21	58.33	32.41
III Total Income		11,790.93	11,220.57
IV Expenses			
Cost of Materials Consumed	22	2,912.77	2,389.59
Purchases of Stock in Trade		231.30	244.88
Changes in inventories of Finished Goods, Work-In-Progress & Stock-in-Trade	23(A)	(947.67)	120.02
Changes in inventory of Biological Asset	23(B)	2.90	(6.52)
Gain from Change in Fair Value of Biological Assets	7	(3.08)	(2.66)
Employee benefits expenses	24	2,065.40	1,697.53
Finance Cost	25	1,606.33	243.10
Depreciation and Amortization Expenses	2(A), (C), (D) & (E)	964.22	517.81
Manufacturing Expenses	26	4,009.18	2,879.69
Administration and Selling Expenses	27	2,349.31	1,897.08
Total Expenses		13,190.66	9,980.52
V Profit/(Loss) before tax (III-IV)		(1,399.73)	1,240.05
VI Tax expense:			
(1) Current tax		-	366.04
(2) Deferred Tax Liability		(353.37)	(23.05)
(Add): Excess Provision of Income Tax for earlier year		13.40	(14.55)
Total Tax Expenses (VI)		(339.97)	328.44
VII Profit/(Loss) for the Period (V-VI)		(1,059.76)	911.61
VIII Other Comprehensive Income			
<i>Item that will not be reclassified to Profit or Loss</i>			
Remeasurement of the net Defined benefit liability/ Assets		(0.17)	6.18
Less: Income Tax on Other Comprehensive Income		-	-
Total Comprehensive Income for the period (VII+VIII)		(1,059.93)	917.79
IX Earnings per equity share:			
(1) Basic	28	(8.51)	7.32
(2) Diluted	28	(8.51)	7.32
X NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41			

For and on behalf of the Board of Directors

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

Ashok Chaturvedi
Chairman
DIN -00023452

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 26th May, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		(1,399.73)	1,240.05
Adjustments for :			
Depreciation and Amortization		998.62	518.61
Deferred Income on Capital Subsidy		(17.36)	(14.72)
Exchange Rate Fluctuations (Net)		(250.59)	(146.37)
Interest expenses		1,606.33	243.10
Provision for doubtful debts		-	-
Sundry Debit Balances Written Off		13.00	17.17
Sundry Credit Balances Written Back		(2.59)	(3.85)
Loss/(Profit) on Sale of Fixed Assets (Net)		(0.88)	(0.02)
Interest Income		(45.46)	(25.63)
Operating Profit before Working Capital Changes		901.34	1,828.34
Adjustments for :			
(Increase)/Decrease in Inventories		(1,687.02)	66.50
(Increase)/Decrease in Inventories of Biological Asset		2.90	(6.52)
(Increase)/Decrease in Trade Receivables, Current Financial Assets & Other Current Assets		(1,109.76)	(932.09)
(Increase)/Decrease in Non Current Financial Assets & Other Non Current Assets		1,813.21	(1,532.20)
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities & Current Provisions		583.47	987.52
Increase/(Decrease) in Non Current Provisions		6.37	23.06
		510.51	434.61
Cash Generated From Operating activities			
Income Tax paid		(67.35)	(351.49)
Exchange Rate Fluctuations (Net)		250.59	146.37
Net Cash Generated From Operating Activities		693.75	229.49
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment, Capital Work-In -Progress & Investment property		(8,888.58)	(12,971.28)
Capital Subsidy Received During The Year		47.05	-
Proceeds from Sale of Property ,Plant & Equipment		2.18	0.26
Interest Received		45.46	25.63
Net cash used in Investing Activities		(8,793.89)	(12,945.39)
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds /(Repayment) of non Current Borrowing (Net)		7,672.84	10,606.72
Proceeds from Current Borrowing (Net)		811.43	2,724.98
Dividend Paid		(124.50)	(124.50)
Lease Liability		(23.28)	-
Interest & Finance charges		(1,502.13)	(196.77)
Net cash used in Financing Activities		6,834.36	13,010.43
Net increase in Cash & Cash Equivalents	(I+II+III)	(1,265.78)	294.53
Cash & Cash Equivalents at beginning of the year	9 & 10	1,564.07	1,269.54
Cash & Cash Equivalents at end of the year #	9 & 10	298.29	1,564.07

Includes Rs.76.76 lacs (Previous Year Rs.294.74 lacs) in respect of amount lying in unclaimed dividend account, Demand Deposits more than 3 months, margin money for bank guarantee and Letter of Credit.

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

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 26th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in Lacs)

Particulars	Equity Share Capital	Other equity				Total Equity & Other Equity
		Reserve & surplus		Other Comprehensive Income	Total	
		Retained Earnings	General Reserve			
Balance as at April 1,2022	1,245.00	9,204.23	1,007.84	(70.56)	10,141.51	11,386.51
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Changes in equity during the year						
Dividend Paid		(124.50)	-	-	(124.50)	(124.50)
Remeasurement of the net defined benefit liability/assets, (net of tax)		-	-	(0.17)	(0.17)	(0.17)
Profit for the Period	-	(1,059.76)	-	-	(1,059.76)	(1,059.76)
Balance as at March 31,2023	1,245.00	8,019.97	1,007.84	(70.73)	8,957.08	10,202.08
Balance as at April 1,2021	1,245.00	8,417.12	1,007.84	(76.74)	9,348.22	10,593.22
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Changes in equity during the year						
Dividend Paid	-	(124.50)	-	-	(124.50)	(124.50)
Remeasurement of the net defined benefit liability/assets, (net of tax)	-	-	-	6.18	6.18	6.18
Profit for the Period	-	911.61	-	-	911.61	911.61
Balance as at March 31,2022	1,245.00	9,204.23	1,007.84	(70.56)	10,141.51	11,386.51

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

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 26th May, 2023

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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 (Indian Accounting Standards) Rules 2015 as amend from time to time by the ministry of corporate affairs, 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 Indian accounting standard is initially adopted or a revision to an existing Indian 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 of company are presented in Indian Rupees (INR) rounding off to nearest Lacs.

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 available for 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 Years)	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 available for 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, Right to use assets, Repair & Maintenance on Factory Building, specific Manufacturing expenses including 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, Right to use assets, 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 Indian 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, 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.

Intangible assets, investment property and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

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

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal 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, Office building and equipments. 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. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

For Short Term Leases and leases for which underlying asset is of low value, Lease payments are recognize as an expenses on a straight line basis over a lease term.

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.
- (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 Central Board of Indirect Taxes and Customs 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. The gain or loss resulting from the translation is recognized in the statement of profit & loss. 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 available for 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 available for 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 Property, Plant and Equipment as determined by the management.
- (ii) Depreciation/Amortization on addition /deletions to Property, Plant and Equipment is provided on pro-rata basis from/to the date of addition/deletions.

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.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 103 – Business Combinations
Ind AS 107- Financial Instruments: Disclosures
Ind AS 102- Share Based Payment
Ind AS 109 – Financial Instruments
Ind AS-101- First time adoption of Ind AS
Ind AS 115- Revenue from Contracts with Customers
Ind AS 34- Interim Financial Reporting

The Company does not expect the amendments above to have any significant impact in its financial statements.
Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No-2(A) Property, Plant and Equipment

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2022	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2023	As At 01-04-2022	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2023
1	Freehold Land	1,396.64	-	-	1,396.64	-	-	-	-
2	Building	2,521.94	5,427.66	-	7,949.60	1,189.89	194.22	-	1,384.11
	- Factory	60.56	-	-	60.56	39.64	0.84	-	40.48
	- Administration	11,139.58	9,561.38	-	20,700.96	6,398.95	661.84	-	7,060.79
3	Plant & Equipment	46.18	59.16	-	105.34	18.03	6.23	-	24.26
4	Furnitures & Fixtures	192.48	42.02	30.35	204.15	96.33	16.21	29.05	83.49
5	Vehicles	130.96	281.84	-	412.80	92.42	40.65	-	133.07
6	Office Equipments	451.40	1,007.27	-	1,458.67	311.20	78.63	-	389.83
7	Electrical Installation	15,939.74	16,379.33	30.35	32,288.72	8,146.46	998.62	29.05	9,116.03
	SUB TOTAL(A)	15,279.08	674.19	13.53	15,939.74	7,641.14	518.61	13.29	8,146.46
	PREVIOUS YEAR								

Note No-2(B) Capital work-in-progress

	Capital work-in-progress								
	SUB TOTAL (B)	-	-	-	-	-	-	-	-

Notes:-

- a) Borrowed Fund Capitalised during the year is Rs. 406.05 Lacs (Previous year Rs. 175.65 Lacs)
- b) Out of total depreciation of Rs. 998.62 Lacs, depreciation of Rs. 964.22 Lacs is transferred to P&L A/C and Rs. 34.40 Lacs is transferred to Pre-operative Expense (PY-Out of total depreciation of Rs. 518.61 Lacs, depreciation of Rs. 517.81 Lacs is transferred to P&L A/C and Rs. 0.80 Lacs is transferred to Pre-operative Expense).

Note No-2(C) Investment Property

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2022	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2023	As At 01-04-2022	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2023
1	Freehold Land	1.17	-	-	1.17	-	-	-	-
	TOTAL	1.17	-	-	1.17	-	-	-	-
	PREVIOUS YEAR	1.17	-	-	1.17	-	-	-	-

Notes:-

- a) Fair value of the Investment property is of Rs 83.77 lacs as valued by Independent government approved valuer and engineer.
- b) No amount have been recognised in Profit and Loss account related to Investment Property during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note No-2(D) Intangible assets

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2022	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2023	As At 01-04-2022	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2023
1	Software	32.49	-	-	32.49	32.49	-	-	32.49
	TOTAL	32.49	-	-	32.49	32.49	-	-	32.49
	PREVIOUS YEAR	32.49	-	-	32.49	32.49	-	-	32.49

Note No-2(E) Right of use Assets

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE	
		As At 01-04-2022	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2023	As At 01-04-2022	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2023
1	Plant & Equipment*	-	233.35	-	233.35	-	-	-	-
	TOTAL	-	233.35	-	233.35	-	-	-	-
	PREVIOUS YEAR	-	-	-	-	-	-	-	-

*The company has not charged depreciation on Right of use Assets as the assets are not available for use as on the date of balancesheet

Note No-2(F) Intangible assets Under development

	Intangible assets Under development								
	SUB TOTAL (F)	-	-	-	-	-	-	-	-

Depreciation and Amortisation on:		For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Property, Plant and Equipment		998.62	518.61
Investment Property		-	-
Intangible assets		-	-
Right of use assets		-	-
Adjustment for pre-operative Expenses		(34.40)	(0.80)
Total		964.22	517.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3 LOANS		(Rs. In Lacs)	
Particulars	As At 31.03.2023	As At 31.03.2022	
A Non-Current			
(Unsecured, Considered Good)			
a) Loans/Advances to Employees	-	-	
Total (A)	-	-	
B Current			
(Unsecured, Considered Good)			
a) Loans/Advances to Employees	3.57	5.13	
Total (B)	3.57	5.13	
Total (A+B)	3.57	5.13	
4 OTHER FINANCIAL ASSETS			
A Non-Current			
(Unsecured, Considered Good)			
a) Security Deposits	185.53	143.77	
b) Margin Money with maturity after 12 months	-	0.45	
	185.53	144.22	
B Current			
(Unsecured, Considered Good)			
a) Security Deposits	52.75	51.24	
b) Interest Recoverable			
i) On Fixed Deposits with Banks	4.66	17.47	
ii) Others	6.86	5.49	
Total	64.27	74.20	
Total (A+B)	249.80	218.42	
5 OTHER ASSETS			
A Non-Current			
a) Capital Advances	35.96	1,890.48	
b) Income Tax Refund (Net)	-	-	
Total (A)	35.96	1,890.48	
B Current			
a) Advances Recoverable in Cash or In kind or for Value to be Received	235.58	484.43	
b) Balances with GST Authorities	2,009.37	871.16	
c) Balances with Excise Authorities	0.01	28.02	
d) Income Tax Assets (Net)	55.34	77.56	
Total (B)	2,300.30	1,461.17	
Total (A+B)	2,336.26	3,351.65	
6 INVENTORIES			
a) Raw Material	149.25	181.38	
b) Work-in-progress	697.04	794.82	
c) Finished Goods	2,551.75	762.30	
d) Stock in Trade	27.87	49.69	
e) Stores & Spares	114.32	87.68	
f) Packing Material	84.20	61.54	
Total	3,624.43	1,937.41	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

7 BIOLOGICAL ASSETS (Rs. In Lacs)

Particulars	As At 31.03.2023	As At 31.03.2022
Current		
Mushroom Under cultivation	53.55	56.45
	53.55	56.45
Reconciliation of changes in carrying amount of Biological Assets		
Opening balance	56.45	49.93
Add: Gain arising from change in fair value	3.08	2.66
Add: Increase due to physical changes / transfer from immature	2,017.40	1,686.79
Less: Decrease due to harvest	(2,023.38)	(1,682.93)
Closing Balance	53.55	56.45

8 TRADE RECEIVABLES

Current		
Unsecured		
Considered Good	2,992.48	2,720.77
Credit Impaired	8.40	8.40
	3,000.88	2,729.17
Less: Allowances for bad and doubtful trade receivables	8.40	8.40
Total	2,992.48	2,720.77

Movements in allowance for bad and doubtful Trade receivable:

Opening Balance	8.40	10.86
(+) Provision made during the year	-	-
(-) Amount utilised from provision	-	2.46
Closing Balance	8.40	8.40

Trade Receivable Ageing Schedule as at 31.03.2023

Particulars	Un Billed	Not Due as on 31.03.2023	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	2,900.83	91.65	-	-	-	-	2,992.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	8.40	8.40
TOTAL	-	2,900.83	91.65	-	-	-	8.40	3,000.88
Less: Provision for doubtful trade receivable								8.40
Total Trade Receivable								2,992.48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
Trade Receivable Ageing Schedule as at 31.03.2022

Particulars	Un Billed	Not Due as on 31.03.2022	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	1,973.23	746.24	-	-	-	-	2,719.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	0.14	-	1.16	1.30
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	8.40	8.40
TOTAL	-	1,973.23	746.24	-	0.14	-	9.56	2,729.17
Less: Provision for doubtful trade recievable								8.40
Total Trade Recievable								2,720.77

9 CASH & CASH EQUIVALENTS
(Rs. In Lacs)

Particulars	As At 31.03.2023	As At 31.03.2022
Cash and Cash Equivalents		
i) Balances with Banks (in Current accounts)	212.11	645.49
ii) Demand deposits with maturity before 3 months	4.43	126.57
iii) Margin Money*	-	480.00
iv) Cash on Hand	3.43	17.27
v) Cash on Hand-Foreign Currency	1.56	-
Total	221.53	1,269.33

* CY Nil and PY-Rs. 480.00 Lacs pledged against letter of credit

10 BANK BALANCES OTHER THAN ABOVE

i) Demand deposits with maturity after 3 months	3.87	210.07
ii) Earmarked Balances		
- Unclaimed Dividend Account	51.45	64.24
iii) Margin Money*	21.44	20.43
Total	76.76	294.74

* Out of total margin money of Rs. 21.44 Lacs, margin money of Rs. 3.50 Lacs is pledged against Letter of credit and Rs. 17.94 Lacs is Pledged against guarantee(PY- Rs. 20.43 Lacs is pledged against Guarantee)

11(A)EQUITY SHARE CAPITAL
(Rs. In Lacs)

(i) Share Capital	As At 31.03.2023		As At 31.03.2022	
	Number	Amount	Number	Amount
Authorised Capital				
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
Issued, Subscribed & Paid up				
Equity Shares of Rs.10 each	1,24,50,000	1,245.00	1,24,50,000	1,245.00
Total	1,24,50,000	1,245.00	1,24,50,000	1,245.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(ii) Reconciliation of Number of Equity Shares (Rs. In Lacs)

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

(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.

<u>Particulars</u>	<u>As At 31.03.2023</u>		<u>As At 31.03.2022</u>	
	<u>No. of Shares Held</u>	<u>% of Holding</u>	<u>No. of Shares Held</u>	<u>% of Holding</u>
Uflex Ltd	58,70,000	47.15	58,70,000	47.15
Anshika Investments Pvt Ltd	12,52,630	10.06	12,52,630	10.06
Total	71,22,630	57.21	71,22,630	57.21

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

(vi) Disclosure of shareholding of Promoters

a) Promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

S. No.	Promoter Name	AS AT 31.03.2023		AS AT 31.03.2022		% Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	UFLEX Limited	58,70,000	47.15	58,70,000	47.15	0.00%
2	Anshika Investment Pvt.Ltd.	12,52,630	10.06	12,52,630	10.06	0.00%
3	Anshika Consultants Pvt.Ltd.	1,50,000	1.20	1,50,000	1.20	0.00%
4	Rashmi Chaturvedi	45,010	0.36	45,010	0.36	0.00%
5	Flex International Pvt. Ltd.	32,756	0.26	11,300	0.09	189.88%
6	A R Leasing Pvt. Ltd.	4,000	0.03	4,000	0.03	0.00%
7	Ashok Kumar Chaturvedi	7,610	0.06	7,610	0.06	0.00%
8	A.L. Consultants Private Limited	78,685	0.63	78,685	0.63	0.00%
9	Magic Consultants private Limited	10,500	0.08	10,500	0.08	0.00%
Total		74,51,191	59.85	74,29,735	59.68	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
b) Public:

S. No.	Public	AS AT 31.03.2023		AS AT 31.03.2022		% Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	Shareholding of public more than 5%	-	-	-	-	-
2	Shareholding of public less than 5%	49,98,809	40.15	50,20,265	40.32	-0.43%
Total		49,98,809	40.15	50,20,265	40.32	-0.43%

11(B) OTHER EQUITY

(Rs. In Lacs)

Particulars	Reserve & surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve		
Balance as at April 1,2022	9,204.23	1,007.84	(70.56)	10,141.51
Changes in equity during the year				
Transfer to general reserve	-	-	-	-
Dividend Paid	(124.50)	-	-	(124.50)
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(0.17)	(0.17)
Profit for the Period	(1,059.76)	-	-	(1,059.76)
Balance as at March 31,2023	8,019.97	1,007.84	(70.73)	8,957.08
Balance as at April 1,2021	8,417.12	1,007.84	(76.74)	9,348.22
Changes in equity during the year				
Transfer to general reserve	-	-	-	-
Dividend Paid	(124.50)	-	-	(124.50)
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	6.18	6.18
Profit for the Period	911.61	-	-	911.61
Balance as at March 31,2022	9,204.23	1,007.84	(70.56)	10,141.51

General Reserve

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

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

(Rs. In Lacs)

Particulars	As At 31.03.2023		As At 31.03.2022	
Capital Subsidy on				
a) Individually Quick Frozen and Air Dried Plant	25.44		29.82	
b) Cold Storage (New)	53.54		59.42	
c) Freeze Drying Cabinet	50.07		53.59	
d) Zig Zag Classifier	18.56		19.50	
e) Analytical Instruments (LCMS & GCMS)	47.05	194.66	-	162.33
Less: Deferred Income Apportioned to Statement of Profit & Loss				
a) Individually Quick Frozen and Air Dried Plant	4.38		4.38	
b) Cold Storage (New)	5.88		5.88	
c) Freeze Drying Cabinet	3.52		3.52	
d) Zig Zag Classifier	0.94		0.94	
e) Analytical Instruments (LCMS & GCMS)	2.63	17.35	-	14.72
Total		177.31		147.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

13 BORROWINGS

		(Rs. In Lacs)	
Particulars	As At 31.03.2023	As At 31.03.2022	
(A) Non Current			
Secured			
a) Term Loans:-			
From Banks	15,450.76	10,351.21	
	15,450.76	10,351.21	
b) Vehicle Loans:-			
From Others	60.48	52.01	
	60.48	52.01	
c) Unsecured Loans:-			
From Related Parties	4,300.00	-	
From Others	-	1,000.00	
	4,300.00	1,000.00	
Sub- Total (A+B+C)	19,811.24	11,403.22	
Less:- current Portion	1,531.68	796.50	
Total	18,279.56	10,606.72	
(B) Current			
a) Secured			
Working Capital Facilities From Banks: #			
From -Canara Bank	1,725.81	1,966.85	
From -Indian Bank, IFB	1,817.29	-	
b) Unsecured			
From Related Parties	-	1,500.00	
From Others	-	-	
c) Current maturities of Long term borrowings	1,531.68	796.50	
Total	5,074.78	4,263.35	
Total(A+B)	23,354.34	14,870.07	

(Rs. In Lacs)						
Name of the Institution/ Banks/Others	Note No.	Sanctioned amount	O/s as at 31.03.2023	Short Term	Long term	Original Repayment terms
PART A:- TERM LOANS						
Woori Bank	(i)	2,000.00	1,000.00	800.00	200.00	Repayable in 10 equal quarterly installments of Rs. 200 lakhs each commencing from 31st January'2022
Previous Year		(2,000.00)	(1,800.00)	(800.00)	(1,000.00)	
Canara Bank	(ii)	14,150.00	14,521.45	726.72	13,794.73	Repayable in 7 years in 28 quarterly ballooning installments commencing from 30th June'2023 (First 4 quarterly Installment Rs. 181.68 lakhs each, next 4 quarterly installment Rs. 363.35 lakhs each, next 12 installments of Rs. 545.02 lakhs each and last 8 installments of Rs. 726.70 lakhs each
Previous Year		(14,150.00)	(8,608.92)	-	(8,608.92)	
Less:- adjustment for transaction cost (Pending amortisation)			70.69	12.99	57.70	
Previous Year			(57.71)	(13.32)	(44.39)	
Sub total (A)			15,450.76	1,513.73	13,937.03	
Previous Year			(10,351.21)	(786.68)	(9,564.53)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. In Lacs)

Name of the Institution/ Banks/Others	Note No.	Sanctioned amount	O/s as at 31.03.2023	Short Term	Long term	Original Repayment terms
PART B:- VEHICLE LOANS						
Kotak Mahindra Prime Limited	(iii)	40.83	30.76	7.80	22.96	Repayable in 60 equal monthly installments of Rs. 0.81 lakhs each commencing from 1st November'2021 including interest
Kotak Mahindra Prime Limited	(iii)	14.65	11.46	2.76	8.70	Repayable in 60 equal monthly installments of Rs. 0.29 Lakhs each commencing from 1st January'2022 including interest
Kotak Mahindra Prime Limited	(iii)	22.97	18.26	7.39	10.87	Repayable in 36 equal monthly installments of Rs. 0.72 Lakhs each commencing from 1st August'2022 including interest
Sub total (B)			60.48	17.95	42.53	
Previous year			(52.01)	(9.82)	(42.19)	
Total (A+B)			15,511.24	1,531.68	13,979.56	
Previous Year			(10,403.22)	(796.50)	(9,606.72)	
PART C:- UNSECURED LOANS						
Ultimate Flexipack Limited			4,300.00	-	4,300.00	
Total (C)			4,300.00	-	4,300.00	
Previous Year			(2,500.00)	(1,500.00)	(1,000.00)	

- (i) These are secured a) by way of first pari passu charge on the entire movable and immovable fixed assets of the company present as well as future b) second pari passu charge by way of hypothecation on the entire current assets of the company, both present and future c) Personal Guarantee by one of the Director of the company.
- (ii) These are secured a) by the way of first pari passu charge of movable fixed assets-plant and machinery and other specific movable fixed assets (excluding vehicle), present and future along with term lenders b) on Second pari passu charge by way of Hypothecation on entire current assets of the company including stocks of Raw material, WIP, Finished Goods, Stores and Spares, Book Debts and all other current assets (both present and Future) of the company c) personal guarantee of one of the Director of the company, First pari passu charge of company's immovable fixed assets-Land and Building situated at Dehradun (Uttarakhand) and at Devaganapalli, Krishnagiri.
- (iii) Vehicle Loans are secured by way of hypothecation of Specific Vehicles of the Company.

Working capital facilities are secured on first Pari passu charge basis (i) by way of hypothecation of stock and book debts of the company; and (ii) collaterally secured on second pari passu charge basis; (a) by way of hypothecation of fixed assets; (b) by mortgage of immovable properties of the company situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderewala), Dehradun (Uttarakhand) and at Devaganapalli, Krishnagiri, Tamil Nadu (c) by personal guarantee of one of the Director of the Company.

14 PROVISIONS

(Rs. In Lacs)

Particulars	As At 31.03.2023	As At 31.03.2022
A Non-Current		
Provisions for :		
i) Gratuity	-	
ii) Leave Encashment	143.50	137.13
Total	143.50	137.13
B Current		
Provisions for :		
i) Gratuity	447.56	429.52
ii) Leave Encashment	17.88	23.95
Total	465.44	453.47
Total (A+B)	608.94	590.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

15 INCOME TAXES

The gross movement in the deferred tax for the year ended March 31, 2023 and March 31, 2022 are as follows

Income Tax Expense in the Statement of Profit and Loss comprise:

(Rs. In Lacs)

Particulars	For The Year ended 31.03.2023	For The Year ended 31.03.2022
Current Income Taxes	-	366.04
Deferred Taxes	(353.37)	(23.05)
Income Tax Expense	(353.37)	342.99
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	(1,399.73)	1,240.05
Enacted Tax Rates in India	25.168%	25.168%
Computed expected tax expense	(352.28)	312.10
Tax Reversals	12.36	21.41
Effect of Exempted Income	(19.94)	(1.30)
Effect of non-deductible expenses	6.49	10.78
Income Tax Expense	(353.37)	342.99

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

Particulars	As At 31.03.2023	As at 31.03.2022
Deferred Tax Assets		
Unused Tax Credits	758.31	-
Others	223.05	208.54
Total Deferred Tax Assets	981.36	208.54
Deferred Tax Liabilities		
Excess of book WDV of Property, Plant and Equipment over tax WDV of property, plant and equipment	1,200.05	780.60
Others	-	-
Total Deferred Tax Liabilities	1,200.05	780.60
Deferred Tax Liabilities (Net)	218.69	572.06

The gross movement in the deferred tax for the year ended March 31, 2023 and March 31, 2022 are as follows:

Net deferred tax liabilities at the beginning	572.06	595.12
Credits/(charge) relating to temporary differences	(353.37)	(23.06)
Temporary differences on other comprehensive income	-	-
Net Deferred Tax Liabilities at the end	218.69	572.06

16 TRADE PAYABLES

(Rs. In Lacs)

Particulars	As At 31.03.2023	As At 31.03.2022
Total Outstanding dues of creditors other than micro enterprises and small enterprises-Suppliers other than related party	1,308.45	695.73
Total Outstanding dues of micro enterprises and small enterprises	566.97	342.59
Due to Related Parties	22.61	11.98
Total	1,898.03	1,050.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

* 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 31.03.2023	As At 31.03.2022
1	Principal amount due and remaining unpaid	129.47	Nil
2	Interest due on (1) above and the unpaid interest	5.81	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	5.81	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

Trade Payable Ageing Schedule as at 31.03.2023

Particulars		Un Billed	Not Due as on 31.03.2023	Outstanding for following periods from due date of payment				
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSE	28.66	450.50	116.47	-	-	-	595.63
(ii)	Others	100.93	822.39	499.61	8.77	0.29	-	1,431.99
(iii)	Disputed dues-MSE	-	-	-	-	-	-	-
(iv)	Disputed due- Others	-	-	-	-	-	-	-
TOTAL		129.59	1,272.89	616.08	8.77	0.29	-	2,027.62
Less: Unbilled Due								129.59
Total Trade Payable								1,898.03

Trade Payable Ageing Schedule as at 31.03.2022

Particulars		Un Billed	Not Due as on 31.03.2022	Outstanding for following periods from due date of payment				
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSE	50.91	342.59	-	-	-	-	393.50
(ii)	Others	43.29	508.00	197.04	0.07	2.60	-	751.00
(iii)	Disputed dues-MSE	-	-	-	-	-	-	-
(iv)	Disputed due- Others	-	-	-	-	-	-	-
TOTAL		94.20	850.59	197.04	0.07	2.60	-	1,144.50
Less: Unbilled Due								94.20
Total Trade Payable								1,050.30

17 OTHER FINANCIAL LIABILITIES
(Rs. In Lacs)

Particulars	As At 31.03.2023	As At 31.03.2022
a) Interest Accrued but not due on borrowings	100.77	46.33
b) Unclaimed Dividend #	51.45	64.24
c) Security Deposit from Customers	10.10	9.60
d) Performance Guarantee	250.86	192.32
e) Capital Creditors	329.94	473.78
Total	743.12	786.27

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

18 Current Tax Liabilities (Net)

Provision for Current Tax (Net)	-	208.98
Total	-	208.98

19 OTHER LIABILITIES
Current

a) Advance Received from Customers	4.27	0.56
b) Statutory Liabilities	289.83	286.57
c) Other Liabilities	182.71	112.85
Total	476.81	399.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

20 REVENUE FROM OPERATIONS

(Rs. In Lacs)

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
a) Sale of Products	11,345.12	10,867.46
b) Other Operating Revenues		
i) Export Incentive	75.47	75.46
ii) Deferred Income on Capital Grant (Government Grant)	17.36	14.71
iii) Exchange Rate Fluctuation (Net)	250.59	146.37
iv) Transport & Marketing Assistance (TMA)	-	55.25
v) Sale of Miscellaneous Items	44.06	28.91
Total	11,732.60	11,188.16

21 OTHER INCOME

a) Interest Income		
From Banks	13.50	19.44
From Others	31.96	6.19
b) Miscellaneous Income	7.09	2.91
c) Sundry credit Balance Written Back	2.59	3.85
d) Profit on Sale of Fixed Assets	0.88	0.02
e) Interest on Income Tax Refund	2.31	-
Total	58.33	32.41

22 COST OF MATERIAL CONSUMED

Opening Stock	181.38	119.71
Add: Purchases	2,978.01	2,451.26
	3,159.39	2,570.97
Less: Closing Stock	149.25	181.38
Less: Stock Transfer To Preoperative	97.37	-
Raw Material consumed	2,912.77	2,389.59

23 A) (INCREASE)/DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS & STOCK-IN-TRADE

Closing Stock

Finished Stock	2,551.75	762.30
Work-In-Progress	697.04	794.82
Stock In Trade	27.87	49.69
	3,276.66	1,606.81

Opening Stock

Finished Stock@	1,352.10	1,022.34
Work-In-Progress@	927.20	697.13
Stock In Trade	49.69	7.36
	2,328.99	1,726.83

Total	(947.67)	120.02
--------------	-----------------	---------------

@ Difference represents in respect of following material produced in the Financial Year during Trial Runs and included in current year opening Inventory:

Finished Stock	589.80	-
Work-In-Progress	132.38	-
	722.18	-

B) (INCREASE)/DECREASE IN BIOLOGICAL ASSET

Closing Stock

Biological Asset	53.55	56.45
------------------	-------	-------

Opening Stock

Biological Asset	56.45	49.93
------------------	-------	-------

Total	2.90	(6.52)
--------------	-------------	---------------

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
24 EMPLOYEES BENEFIT EXPENSES

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
a) Salaries, Wages, Benefits & Amenities	1,870.16	1,524.99
b) Contribution to Provident Fund	85.36	77.60
c) Gratuity (Refer Note No.29)	66.69	61.11
d) Employees Welfare Expenses	43.19	33.83
Total	2,065.40	1,697.53

25 FINANCE COST

Interest on:

i) Secured Loans	1,123.97	46.20
ii) Working Capital Facilities	81.45	28.64
iii) Shortfall in payment of Advance Tax	12.04	39.54
iv) Interest to Others	6.04	0.37
v) Interest to Unsecured Loans	221.60	-
vi) Interest on Lease Liabilities	3.43	-
Discounting & Bank Charges	157.80	128.35
Total	1,606.33	243.10

26 MANUFACTURING EXPENSES

Power & Fuel Consumed	2,129.66	1,550.21
Repair & Maintenance - Machineries	221.63	220.62
Stores, Spares, Tools, Jigs & Dies Consumed	240.01	181.97
Labour Charges	596.99	367.25
Sorting & Picking Charges	60.46	68.34
Tractor Hire & Shifting Charges	191.12	152.86
Lease Rent Short Term (Refer Note No.40)	2.40	2.40
Processing Charges	412.35	274.54
Others Manufacturing Expenses	154.56	61.50
Total	4,009.18	2,879.69

27 ADMINISTRATION & SELLING EXPENSES

Power & Fuel	105.98	102.32
Insurance Charges	102.92	91.40
Postage & Telephone Expenses	33.13	18.41
Vehicle Hire, Running & Maintenance Expenses	35.08	26.55
Conveyance & Travelling Expenses	130.56	69.38
Repair & Maintenance - Building	51.83	28.12
Repair & Maintenance - Others	57.47	38.80
Legal & Professional Charges	112.86	99.32
General Expenses	207.35	126.79
Lease Rent Short Term (Refer Note No.40)	9.00	9.00
CSR Expenditure	23.50	22.00
Charity & Donation	0.69	5.27
Provision for Doubtful Debts	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Rates & Taxes	2.26	1.94
Loss on Sale of Fixed Assets (Net)	-	-
Sundry debit Balance written off	13.00	17.17
Quality Claims	109.59	-
GST Expenses	84.04	57.89
Rebate & Discount	16.80	-
Sample Testing Charges	0.20	1.51
Commission on Sale	10.23	11.03
Packing & Forwarding Charges	394.65	335.67
Freight Outward	848.17	834.51
Total	2,349.31	1,897.08

28 EARNINGS PER SHARE (EPS)

a) Profit for the year (Rs. In Lacs)	(1,059.76)	911.61
b) Weighted Average number of Equity Shares for computation of Basic and Diluted Earning Per Share (In Numbers)	1,24,50,000	1,24,50,000
c) Nominal value per share (Rs.)	10	10
d) Basic & Diluted Earning Per Share (Rs.)	(8.51)	7.32

29 GRATUITY & POST EMPLOYMENT BENEFIT

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

Particulars	(Rs. In Lacs)			
	Gratuity (Funded)		Leave Encashment(Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
a) Reconciliation of opening and closing balances of obligation				
Obligation at beginning of the year	775.70	774.35	161.08	131.10
Current Service Cost	36.97	34.12	16.83	14.93
Past Service Cost	-	-	-	-
Interest Cost	53.68	50.57	11.15	8.56
Actuarial (gain) /loss	(1.70)	(8.31)	(6.61)	12.26
Less: Benefits paid	70.43	75.03	21.07	5.77
Obligation at the end of the year	794.22	775.70	161.38	161.08
b) Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year	346.18	357.59	-	-
Employer contribution	48.82	42.40	-	-
Less: Benefits Paid	70.43	75.02	-	-
Add: Expected return on plan assets	23.96	23.35	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(Rs. In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment(Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Add: Actuarial Gain /(Loss) on plan assets	(1.87)	(2.14)	-	-
Fair value of plan assets at the end of the year	346.66	346.18	-	-
c) Amount Recognized in Balance Sheet				
Present value of obligation	794.22	775.70	161.38	161.08
Less: Fair value of plan assets	346.66	346.18	-	-
Amount recognized in Balance Sheet	447.56	429.52	161.38	161.08
d) Gratuity & other Post Employment benefit cost for the period				
Current Service Cost	36.97	34.12	16.83	14.93
Past Service Cost	-	-	-	-
Interest Cost	53.68	50.57	11.15	8.56
Expected return on plan assets	(23.96)	(23.35)	-	-
Actuarial (gain) /loss	-	-	(6.61)	12.26
Net amount recognized in Statement of Profit & Loss	66.69	61.34	21.37	35.75
e) Gratuity & other Post Employment benefit cost for the period				
Remeasurement of the net defined benefit liability/assets				
Actuarial (gains)/losses	0.17	(6.18)	-	-
Net amount recognized in Statement of other comprehensive income	0.17	(6.18)		
f) Principal actuarial assumption at the Balance Sheet date:				
Interest Rate	7.48%	6.53%	7.48%	6.53%
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 2023. The Company is expected to contribute Rs. 98.22 lacs to defined benefits plan obligation fund for the year ending 31st March 2024.

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. 22.08 Lacs (increase by Rs.21.03 Lacs) as at 31st March 2023.

If the expected salary growth increases/(decreases by 0.5%), the defined benefit plan obligations would increase by Rs. 21.86 Lacs (decrease by Rs.20.13 Lacs) as at 31st March 2023.

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, 2023

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:-

	(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Domestic Revenue #	2,601.62	2,581.20
Export Revenue:		
USA	1,495.78	2,232.94
Europe	7,030.23	5,919.51
Australia	100.40	61.37
Asia	236.62	232.06
Total	11,464.65	11,027.08

Includes sales of Miscellaneous Items amounting to Rs.44.06 Lacs (previous year Rs.28.91 Lacs) shown under - Note No. -20 (b)(v)

31 PAYMENT TO AUDITORS

a) Statutory Audit	15.00	12.50
b) Tax Audit	5.00	4.00
c) Certification & other services	6.00	5.10
d) For Reimbursement of Expenses	0.48	0.47
Total	26.48	22.07

32 CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent Liabilities

Claims against the company not acknowledged as debt :-

(i) Demand raised by Customs & Central Excise Department which are contested by the company (Including interest & Net of Demand Deposits).	554.97	526.96
ii) Guarantees Issued by the Bank(Net of Margin)	53.80	51.31
iii) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	31.26	1,651.93
iv) Import duty obligation on outstanding export commitment under advance Licence EPCG Schemes.	1,916.39	1,471.33
iv) Retrospective Payout for Payment of Bonus for the Financial Year 2014-15 has not been provided for in the Books of Accounts based on the matter being contested by third parties and/ or stay granted by various High Courts of India in respect of this matter.	39.28	39.28

Total (A)	2,595.70	3,740.81
------------------	-----------------	-----------------

B Commitments

Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for in the Books of Accounts.

Total (B)	221.79	2,717.18
------------------	---------------	-----------------

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**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. Rahul Razdan, Whole-time Director (and his relatives)
- 3 Mr. M.M. Varshney, Whole-time Director (and his relatives) (till 05.05.2022)
- 4 Mr. Rajesh Dheer, Company Secretary (and his relatives) (till 30.09.2022)
- 5 Mr. Naval Duseja ,Chief Financial Officer (and his relatives)
- 6 Mr. Himanshu Luthra, Company Secretary (w.e.f. 11.11.2022)
- 7 Ashok Kumar Chaturvedi (HUF)
- 8 Mrs. Rashmi Chaturvedi
- 9 Mr. Anantshree Chaturvedi
- 10 Mr. Apoorvshree Chaturvedi
- 11 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 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(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	92.24 (53.28)	-	-
ii) Purchase of fixed assets	43.97 (2.00)	-	-
iii) Loan Taken	4,500.00 (3,000.00)	-	5,300.00 (3,440.00)
iv) Refund of Loan	6,000.00 (1,500.00)	-	1,000.00 (3,440.00)
v) Interest Paid	158.70 (73.56)	-	121.72 (35.54)
vi) Sale of fixed assets	4.50	-	-
vii) Leases Rent	10.62 (10.62)	-	-
viii) Dividend Paid	58.70 (58.70)	0.53 (0.54)	15.20 (15.08)
ix) Reimbursement of Expenses	-	0.90 (0.90)	-
x) Remuneration	-	140.28 (185.56)	-
xi) Sitting Fees	-	1.25 (1.75)	-
xii) Sales of (MEIS) Licence	124.76	-	-
Balance Outstanding at the end of the year			
	Credit	22.61	1.98
		(1,554.76)	(2.19)
	Debit	0.22	-
		-	-
Outstanding Guarantee against Term Loans and working capital facilities		19,064.55	
		(12,375.77)	

Note: Previous year's 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 31.03.2023	For the Year Ended 31.03.2022	
i) Gross Amount required to be spent by the Company	23.20	21.96	
ii) Total of previous years Shortfall / (Excess) incurred	(0.12)	(0.08)	
iii) Balance to be spent	23.08	21.88	
iv) Amount spent during the year on :			
a) Construction / acquisition of any asset	-	-	
b) On purpose other than (i) above	23.50	22.00	
v) Shortfall/ (excess) at the end of the year	(0.42)	(0.12)	
vi) Total of previous years shortfall	-	-	
vii) Reason for shortfall	NA	NA	
viii) Nature of CSR activities	(i) Providing and Promoting Dental Health care Including preventive Healthcare (ii) Educational Institute	Dental education & health care	
vii) Amount payable as at Year End	-	-	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- 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.0.50/- (Previous Year Rs.1.00) per share aggregating to Rs. 62.25 Lacs (Previous Year Rs.124.50 Lacs) for the Financial Year ended 31st March 2023 subject to the approval of the shareholder in their ensuing Annual General Meeting.
- 38 The Previous year's figures have been regrouped and reclassified wherever necessary.

39 Financial Instruments
Financial Instruments by category:

The carrying value and fair value of financial instruments by categories as of March, 31 2023 & as of March,31 2022 were as follows:

					(Rs in Lacs)	
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value	Total fair value
Assets						
Cash and cash equivalents	CY	298.29	-	-	298.29	298.29
(refer note no 9 & 10)	PY	1564.07			1564.07	1564.07
Trade Receivables	CY	2992.48	-	-	2992.48	2992.48
(refer note no 8)	PY	2720.77			2720.77	2720.77
Loans	CY	3.57	-	-	3.57	3.57
(refer note no 3A and 3B)	PY	5.13			5.13	5.13
Other financial assets	CY	249.80	-	-	249.80	249.80
(refer note no 4 A and 4B)	PY	218.42			218.42	218.42
Total	CY	3544.14	-	-	3544.14	3544.14
	PY	4508.39	-	-	4508.39	4508.39
Liabilities						
Trade payables	CY	1898.03	-	-	1898.03	1898.03
(refer note no 16)	PY	1,050.30	-	-	1050.30	1050.30
Other financial liabilities	CY	743.12	-	-	743.12	743.12
(refer note no 17)	PY	786.27	-	-	786.27	786.27
Borrowings	CY	23354.34			23354.34	23354.34
(refer note no 13A and 13B)	PY	14870.07			14870.07	14870.07
Lease liabilities	CY	213.50			213.50	213.50
	PY	0.00			0.00	0.00
Total	CY	26208.99	-	-	26208.99	26208.99
	PY	16,706.64	-	-	16706.64	16706.64

Fair Value hierarchy disclosures:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Input other than quoted price included within Level 1 that are observable for the assets or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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	42%	31%
Revenue from Top Five Customers	71%	69%

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 2023	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	23,354.34	5,074.78	18,279.56
Trade payables	1,898.03	1,898.03	-
Other Financial Liability	743.12	743.12	-
Lease Liability	213.50	43.00	170.50
Other Liabilities	476.81	476.81	-
Current Tax Liability	-	-	-

Interest Rate Risk :

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

However the interest rate in respect major portion of borrowings by the Company from the banks and others are linked with the Benchmark / Base Prime lending rate of the respective lender and in case of foreign currency borrowings the same is linked with LIBOR. 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 amount which is subject to the change in the interest rate is of Rs. 18,993.86 Lacs out of the total debt of Rs. 23,354.34 Lacs

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. 189.93 Lacs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 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.

The carrying amount of the Group's material foreign currency dominated monetary Assets and Liabilities at the end of the reporting period is as below

Currency	Monetary Assets		Monetary Liabilities	
	Current Year	Previous Year	Current Year	Previous Year
USD	459.96	424.26	8.49	-
Euro	329.00	382.04	14,607.74	8,621.52
	788.96	806.30	14,616.23	8,621.52

Following Table Summaries approximate gain/(loss) on Company's Profit before tax on account of appreciation and depreciation of underlying foreign currencies of the above table

Currency	Effect on Profit before tax	
	Current Year	Previous Year
Closing USD Rate (In Rs.P.)	81.73	73.50
Closing Euro Rate (In Rs.P.)	88.82	83.79
5% appreciation (Rs. In Lacs)	(691.36)	(390.76)
5% depreciation (Rs. In Lacs)	691.36	390.76

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

40 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 31.03.2023	As at 31.03.2022
(i)	Depreciation Charge on Right to Use Assets		-	-
(ii)	Interest Expense on Lease Liabilities	25	3.43	-
(iii)	Short Term Leases	26 & 27	11.40	11.40
(iv)	Low value leases		-	-
(v)	variable Lease payments		-	-
(vi)	Total Cash outflow on Right on Use Assets		23.28	-
(vii)	Opening Balance of Right to Use Assets		-	-
(viii)	Additions to Right to use Assets	2(E)	233.35	-
(ix)	Deletion to Right to use Assets		-	-
(x)	Carrying amount of Right to Use Assets	2(E)	233.35	-

The break-up of current and non-current lease liabilities on Right of Use assets as of March 31, 2023 is as follows:-

(Rs in Lacs)

Particulars	As at 31.03.2023	As at 31.03.2022
Current Lease Liability	43.00	-
Non-current Lease Liability	170.50	-
Total	213.50	-

As Lessee:-

Right-of-use asset	No. of right to use asset	Range of remaining term	Average remaining lease term	No. of lease with extension plan	No. of leases with option to purchase	No. of leases with termination plan
Plant & Equipment	2	2023-2028	4 Year & 10 Months	NA	NA	NA
Plant & Equipment	3	2023-2028	4 Year & 11 Months	NA	NA	NA

Details of right to use assets held by the company for the year ended March 31, 2023:

Particulars	Category of ROU asset : Plant & Machinery as at 31.03.2023	Category of ROU asset : Plant & Machinery as at 31.03.2022
Opening Balance	-	-
Addition	233.35	-
Deletions	-	-
Depreciation	-	-
Closing Balance	233.35	-

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	Category of ROU asset : Plant & Machinery as at 31-03-2023	Category of ROU asset : Plant & Machinery as at 31-03-2022
Opening Balance	-	-
Addition/Adjustments	223.97	-
Finance cost	3.43	-
Payment of lease liabilities	13.90	-
Translation differences	-	-
Closing Balance	213.50	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The expense relating to payments not included in the measurement of the lease liability during FY 2022-23 is as follows:

Particulars	31-03-2023	31-03-2022
Short Term/Low value Leases (Refer Note 26 & 27)	11.40	11.40
Variable lease payments	Nil	Nil

The amount of leases that are not commenced yet but have been entered into amounts to NIL.

Lease contracts entered by the Company majorly pertains to plant and machinery taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and covenants as per the contract.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(Rs in Lacs)
Less than one year	43.00
One to five years	170.50
More than five years	-

41 Additional Regulatory Information**(i) (a) Capital-Work-in progress (CWIP)**

For the year ended 31.03.2023

a) Capital-Work in Progress ageing Schedule

(Rs in Lacs)

As At 31.03.2023

CWIP		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress						
(i)	Krishnagiri (Tamilnadu)	4,502.09	339.48	-	-	4,841.57
(ii)	Dehradun (Uttarakhand)	14.01	-	-	-	14.01
Projects temporarily suspended						
(i)	Krishnagiri (Tamilnadu)					
(ii)	Dehrdun (Uttarakhand)					
Total		4,516.10	339.48	-	-	4,855.58

b) Capital -Work in Progress whose Completion is Overdue or has exceeded its cost compared to its original plan.

CWIP		To be completed in			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1					
(i)	Krishnagiri (Tamilnadu)	4,841.57	-	-	-
(ii)	Dehradun (Uttarakhand)	-	-	-	-
Projects 2					
(i)	Krishnagiri (Tamilnadu)				
(ii)	Dehrdun (Uttarakhand)				
Total		4,841.57	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

For the year ended 31.03.2022

a) Capital-Work in Progress ageing Schedule

As At 31.03.2022

CWIP		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress						
(i)	Krishnagiri (Tamilnadu)	11,847.56	0.83	6.14	-	11,854.53
(ii)	Dehradun (Uttarakhand)		-	-	-	509.50
		509.50				
Projects temporarily suspended						
(i)	Krishnagiri (Tamilnadu)					
(ii)	Dehradun (Uttarakhand)					
Total		12,357.06	0.83	6.14	-	12,364.03

b) There is no Capital-Work in Progress whose Completion is Overdue or has exceeded its cost compared to its original plan.

(i) **b) Intangible Assets under Development**

a) Intangible Assets under Development ageing Schedule

(Rs in Lacs)

As At 31.03.2023

CWIP		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress						
(i)	Krishnagiri (Tamilnadu)	-	-	-	-	
(ii)	Dehradun (Uttarakhand)	17.70				17.70
Projects temporarily suspended						
(i)	Krishnagiri (Tamilnadu)					
(ii)	Dehradun (Uttarakhand)					
Total		17.70	-	-	-	17.70

b) There is no Intangible assets under Development whose Completion is Overdue or has exceeded its cost compared to its original plan.

(ii) The quarterly returns are in agreement with books of accounts.

(iii) The following reconciliations provides the effect of reclassification in year ending 31 March 2022:

(Rs in Lacs)

Particulars	Balance sheet Items as at 31st March, 2022		
	Ind-AS 31.03.2022	Adjustments	Ind-AS 31.03.2022 (As Reclassified)
Income			
Revenue from Operations (Note No-20)	11,041.79	146.37	11,188.16
Other Income (Note No-21)	178.78	(146.37)	32.41
Total	11,220.57	-	11,220.57

The figures of revenue from operations have been increased and Other income have decreased as foreign exchange amounting to Rs. 146.37 Lacs is arising out of sales or purchase of goods abroad which are used in business operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(iv) Following disclosures are made in relation to the Ratios to be disclosed as per Schedule-III

				(Rs.in lacs except for Ratio)		
				Current Year	Previous Year	% Change During the Year
(i)	Current Ratio	[a/b]		1.08	1.09	-0.9%
	Current Assets	a		9,390.84	7,819.20	
	Current Liabilities	b		8,701.18	7,162.35	
(ii)	Debt-Equity Ratio	[a/b]	# Refer Note below	2.31	1.31	76.3%
	Total Borrowings including lease liability	a		23,567.84	14,870.07	
	Shareholder's Fund	b		10,202.08	11,386.51	
(iii)	Debt Service Coverage Ratio	[a/b]	# Refer Note below	0.66	10.68	-93.8%
	Earnings available for Debt Services (EBITDA)	a		912.61	1,804.04	
	Debt Obligations :					
	Instalments			819.78	122.70	
	Interest Expense			559.30	46.20	
	Total Debt Service	b		1,379.08	168.90	
(iv)	Return on Equity	[a/b]	## Refer Note below	-9.8%	8.3%	-218.4%
	Profit after Tax	a		(1,059.76)	911.61	
	Opening Shareholders Fund	b(i)		11,386.51	10,593.22	
	Closing Shareholders Fund	b(ii)		10,202.08	11,386.51	
	Average Shareholders Fund	b ((i+ii)/2)		10,794.30	10,989.87	
(v)	Inventory Turnover Ratio	[a/b]	### Refer Note below	0.77	1.36	-43.4%
	Cost of Goods Sold	a		2,196.22	2,745.31	
	Opening Inventory	b(i)		1,993.86	2,053.84	
	Closing Inventory	b(ii)		3,677.98	1,993.86	
	Average Inventory	b ((i+ii)/2)		2,835.92	2,023.85	
(vi)	Trade Receivables Turnover Ratio	[a/b]		3.97	4.11	-3.4%
	Revenue from Sale of Goods & Services	a		11,345.12	10,867.46	
	Average Trade Receivable	b		2,856.63	2,642.92	
(vii)	Trade Payables Turnover Ratio	[a/b]	### Refer Note below	2.18	3.04	-28.3%
	Purchases	a		3,209.31	2,696.14	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

				(Rs.in lacs except for Ratio)		
			Current Year	Previous Year	% Change During the Year	
Average Trade Payables	b		1,474.17	887.22		
(viii) Net Capital Turnover Ratio	[a/b]		16.45	16.54	-0.5%	
Revenue from Sale of Goods & Services	a		11,345.12	10,867.46		
Working Capital	b		689.66	656.85		
(ix) Net Profit Ratio	[a/b]	## Refer Note below	-9.34%	8.39%	-211.4%	
Profit for the Year	a		(1,059.76)	911.61		
Revenue from Sale of Goods & Services	b		11,345.12	10,867.46		
(x) Return on Capital Employed	[a/b]	# & ## Refer Note below	-2.49%	4.79%	-151.9%	
Earning before Interest & Tax	a		(840.43)	1,286.25		
Capital Employed	b		33,775.11	26,828.64		
(xi) Return on Investment			-	-		
(a) From Quoted Equity Instruments	[a/b]		-	-	N.A	
Dividend Income	a		-	-		
Average Investment in Quoted Equity Instruments	b		-	-		
(b) From Unquoted Investments	[a/b]		-	-	N.A	
Investment Income (including Capital Gain / (Loss))	a		-	-		
Average Unquoted Investments	b		-	-		

Note:

- #** The significant Change in these ratios are due to the additional borrowings raised by the Company during the year for its Expansion Project at Kirishnagiri, Tamilnadu. The operation of this plant has partially commenced from 26th September, 2022. The plant will fully commence in FY 23-24.
- ##** Change is due to increase in expenses in the current year due to partially capitalization of Tamilnadu Plant.
- ###** Change is due to increase in Closing Stock which is due to Low sale volumes in comparison to estimations because of the recession in both USA and Europe market as company has major part of its sales from export.
- (v)** No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (43 of 1988) and the rules made thereunder.
- (vi)** The Company has had transaction with a struck off Company under Section 248 of the Companies Act, 2013 due to non-filing of annual returns namely M/s Maxin Hydro Dynamic India Private Limited which is not related. However, as per the information and explanations received and documents reviewed, the aforesaid struck off company has already filed an application for the restoration of name before NCLT Chennai and the matter is subjudice.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- (vii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) There was no charge or satisfaction, which is yet to be registered with concerned Registrar of Companies, beyond the period permitted under the Companies Act, 2013.
- (ix) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (x) There's no transaction which has not been recorded in the books of accounts and disclosed or surrendered as income during the year in the tax assessments under the Income Tax Act, 1961.
- (xi) The Company is in compliance with the regulation as to the number of layers of companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restoration on number of Layers) Rules, 2014.
- (xii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (xiii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xiv) No loans and advances in the nature of Loan have been granted to Promoter, KMP, Director and related parties during the year.

Note : Signatories to Notes 1 to 41

For and on behalf of the Board of Directors

Ashok Chaturvedi
Chairman
DIN -00023452

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 26th May, 2023

