

# TWENTY SIXTH ANNUAL REPORT 2015-16



**FLEX FOODS LIMITED**



## **FLEX FOODS LIMITED**

(CIN L15133UR1990PLC023970)

### **TWENTY SIXTH ANNUAL REPORT 2015-2016**

#### **BOARD OF DIRECTORS**

ASHOK CHATURVEDI  
*Chairman*

T. N. PANDEY

G. N. GUPTA

M. G. GUPTA

R. K. JAIN

S. K. KAUSHIK  
*Whole Time Director*

ANUPAM AHUJA (Appointed w.e.f. 04.08.2015)

P.N. SHARMA (Appointed w.e.f. 26.05.2016)

SHEFALI DUBEY (Appointed w.e.f. 27.06.2016)

#### **COMPANY SECRETARY**

RAJESH DHEER

#### **AUDITORS**

##### **Statutory Auditor**

JAIN SINGHAL & ASSOCIATES  
IInd Floor, M-6, M Block Market, Greater Kailash-II  
New Delhi-110 048

##### **Internal Auditor**

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

##### **Secretarial Auditor**

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

#### **BANKERS**

CANARA BANK  
ALLAHABAD BANK

#### **REGISTERED OFFICE**

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

#### **SHARE DEPARTMENT**

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

#### **REGISTRAR AND SHARE TRANSFER AGENT**

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

#### **WORKS**

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

Chidderwala  
Dehradun  
(Uttarakhand)

## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of FLEX FOODS LIMITED will be held on Saturday, the 20th day of August, 2016 at 3:00 P.M. at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand for transacting the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements the Company for the Financial year ended 31st March 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare the dividend for the year 2015-2016 on the equity shares of the Company.
3. To appoint a Director in place of Shri Ashok Chaturvedi (holding DIN 00023452), who retires by rotation and being eligible, offers himself for re-appointment.
4. Ratification of Appointment of Statutory Auditors.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Jain Singhal & Associates., Chartered Accountants (Firm Registration No. 005839N), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors.”

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, and Articles of Association of Company. Shri P.N. Sharma (DIN 00023625), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26<sup>th</sup> May, 2016 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri P.N. Sharma as a candidate for the office of Director

of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to 25<sup>th</sup> May, 2019 and whose office shall not be liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, and Articles of Association of Company. Smt. Shefali Dubey (DIN 07553018), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27<sup>th</sup> June, 2016 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Smt. Shefali Dubey as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to 26<sup>th</sup> June, 2019 and whose office shall not be liable to retire by rotation.”

By Order of the Board

**RAJESH DHEER**  
Company Secretary  
FCS No. 3060

Place : NOIDA  
Date : 27.06.2016

### Regd. Office:

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

### IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 13th August, 2016 to 20th August, 2016 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBER(S) NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies,



societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
  5. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs 10,61,382/- being the unpaid and unclaimed dividend amount pertaining to Dividend, for the year 2007-2008 to the Investor Education and Protection Fund of the Central Government.
  6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
  7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
  8. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
  9. The Company has paid the Annual Listing Fees for the year 2016-2017 to the viz. BSE Limited on which the Company's Securities are presently listed.
10. Voting through electronic means
    - I. In compliance with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).
    - II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
    - III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- i) The voting period begins on **17.08.2016 (9:00 AM)** and ends on **19.08.2016 (5:00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **13.08.2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders." Tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:



	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for **FLEX FOODS LIMITED** on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- 11. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the *cut-off date* i.e. 13.08.2016
- 12. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the *cut-off date* only shall be entitled to avail the facility of remote



e-voting as well as voting in the Annual General Meeting through ballot paper.

13. Mr. Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
14. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
16. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.flexfoodsltd.com](http://www.flexfoodsltd.com) and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.
17. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company

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

##### **Item No. 5**

Shri P.N. Sharma was appointed as an Additional Director (independent) by the Board of Directors with effect from 26<sup>th</sup> May, 2016 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri P.N. Sharma will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Shri P.N. Sharma for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri P.N. Sharma (i) consent in writing to act as director in Form DIR- 2 pursuant

to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Shri P.N. Sharma has more than 40 years of experience in the field of Finance, Audit, Export, Personnel & Administration.

The matter regarding appointment of Shri P.N. Sharma as an Additional Director was placed before the Nomination and Remuneration Committee and it has recommended his appointment.

The resolution seeks the approval of members for the appointment of Shri P.N. Sharma as an Independent Director of the Company for a term up to 25<sup>th</sup> May, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

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

No director, key managerial personnel or their relatives, except Shri P.N. Sharma, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

##### **Item No. 6**

Smt. Shefali Dubey was appointed as an Additional Director (independent) by the Board of Directors with effect from 27<sup>th</sup> June, 2016 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt. Shefali Dubey shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Smt. Shefali Dubey for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

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

**FLEX FOODS LIMITED**

(CIN L15133UR1990PLC023970)

Smt. Shefali Dubey has rich experience in marketing and business development.

The matter regarding appointment of Smt. Shefali Dubey as an Additional Director was placed before the Nomination and Remuneration Committee and it has recommended her appointment.

The resolution seeks the approval of members for the appointment of Smt. Shefali Dubey as an Independent Director of the Company for a term up to 26<sup>th</sup> June, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Smt. Shefali Dubey, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the Management.

No director, key managerial personnel or their relatives, except Smt. Shefali Dubey, to whom the resolution relates, is interested or concerned in the resolution.

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

By Order of the Board

**RAJESH DHEER**

Company Secretary

FCS No. 3060

Place : NOIDA

Date : 27.06.2016

**Regd. Office:**

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

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

(As per Regulations 36(3) of SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015)

Name of Director	Shri Ashok Chaturvedi	Shri P.N. Sharma	Smt. Shefali Dubey
Date of Birth	15.10.1956	15.08.1949	01.08.1968
Date of Appointment	05.02.1990	26.05.2016	27.06.2016
Experience in specific Functional areas	Chief Promoter of UFLEX Group of Companies who had set up the business himself being the first generation entrepreneur and has in depth knowledge of business of the company.	He is Chartered Accountant having wide and varied experience in the field of Finance and other related areas.	She is Commerce graduate having rich experience in marketing and business development.
Qualification	B.Sc.	Chartered Accountant	B.Com
Directorship in other Public Limited Companies/excluding private companies which are subsidiary of public company	1. UFLEX Ltd. 2. UTech Developers Ltd.	1 Singer India Ltd. 2. Baidyanath Finance and Leasing Ltd.	-
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	<b>Audit Committee:</b> 1. UTech Developers Ltd. (Chairman)	<b>Audit Committee:</b> 1 Singer India Ltd (Chairman) <b>Stakeholders' Relationship Committee</b> 1 Singer India Limited	-

None of the Non-executive Directors of the Company hold any share / convertible bond instrument in the Company except Shri Ashok Chaturvedi (Non-executive Director) who holds 7610 equity shares of the Company

**DIRECTORS' REPORT****To the Members,**

Your Directors have pleasure in presenting this Twenty Sixth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS :**

The summarized financial results for the year ended 31<sup>st</sup> March, 2016 and for the previous year ended 31<sup>st</sup> March, 2015 are as follows:

	[Rs. in Lacs]	
	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Revenue from Operations</b>	8286.42	7245.20
Other Income	242.30	245.88
<b>Total Revenue</b>	8528.72	7491.08
<b>Profit before Finance Cost, Depreciation &amp; Tax</b>	<b>2075.02</b>	<b>2116.28</b>
Finance Cost	365.57	286.28
Depreciation	431.03	389.15
<b>Profit before Tax</b>	<b>1278.42</b>	<b>1440.85</b>
Less : Tax Expenses	469.82	499.51
<b>Profit for the year</b>	<b>808.60</b>	<b>941.34</b>

During the year under review, your Company achieved total revenue and net profit of Rs 8528.72 Lacs and Rs 808.60 Lacs respectively as against total revenue and net profit of Rs. 7,491,08 Lacs and Rs. 941.34 Lacs respectively during the previous financial year ended 31<sup>st</sup> March, 2015.

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

**TRANSFER TO RESERVES :**

An amount of Rs.80.86 Lacs has been transferred to General Reserve for the Financial Year ended 31<sup>st</sup> March 2016.

**TRANSFER OF UNCLAIMED DIVIDEND :**

An amount of Rs. 10,61,382/- was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

**DIVIDEND :**

Your Directors are pleased to recommend a dividend @ Rs. 2.50 (25%) per share for the financial year ended March

31, 2016 after considering future needs of the company for growth.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 13.08.2016. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner.

**CHANGE IN NATURE OF BUSINESS :**

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

**SHARE CAPITAL :**

The paid-up equity share capital outstanding as on 31<sup>st</sup> March, 2016 was Rs.12.45 Crores. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31<sup>st</sup> March, 2016 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Mr. Ashok Chaturvedi, Chairman 7,610 Equity Shares

**FIXED DEPOSITS :**

The company neither had any fixed deposits outstanding as at 31<sup>st</sup> March 2016 nor any fresh/renewal of deposits were accepted during the financial year 2015-16. There were no unclaimed deposits as at March 31, 2016.

**DIRECTORS :**

During the year, Mr. S.K. Kaushik, Director (DIN: 00027035) has been appointed as Whole-time Director on the Board of the Company w.e.f. 1<sup>st</sup> March, 2016. Your Directors welcome Mr. Kaushik on the Board of the Company as Whole Time Director. His appointment has been approved by the members of the company through Postal Ballot.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok Chaturvedi, Chairman (DIN 00023452) of the Company retire by rotation and being eligible, offers himself for reappointment.

Mr. P.N. Sharma has been appointed as an Additional Director on the Board w.e.f. 26<sup>th</sup> May, 2016. Your Directors welcome Mr. P.N. Sharma on the Board of the Company.

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

All the Independent Directors of your Company have given declarations confirming that they meet the criteria

of Independence as prescribed both under the Act and Securities & Exchange of 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.

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- a. that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

#### **STATUTORY AUDIT & AUDITORS :**

The Statutory Auditors of the Company, M/s. Jain Singhal & Associates., Chartered Accountants, New Delhi (Firm Registration No.005839N), were appointed as Statutory

Auditors by the members for three years. Their appointment would be ratified at the ensuing Annual General Meeting.

The Report of the Auditors on the Financial Statements including relevant notes on the accounts for the Financial Year ended on 31.03.2016 are self-explanatory and therefore do not call for any further comments.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3) of the Act.

#### **INTERNAL AUDITORS**

The Board of Directors of your Company has re-appointed M/s. Vijay Sehgal & Co, Chartered Accountants, Delhi (Firm Registration No.000374N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2016-2017.

#### **SECRETARIAL AUDITORS :**

The Board had appointed M/s Mahesh Gupta & Co., Practicing Company Secretaries, Delhi as Secretarial Auditors pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor is annexed to the Report as per **Annexure 'A'**.

#### **CORPORATE SOCIAL RESPONSIBILITY :**

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises Mr. M.G. Gupta, Chairman, Mr. R. K. Jain, Member and Mr. S.K. Kaushik, Member. The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.flexfoodsLtd.com/pdf/CSRPoly.pdf>.

The Company was required to spend an amount of Rs. 23.57 Lacs for the financial year 2015-16 on CSR out of which an amount of Rs. 19.58 Lacs was spent during the year.. The balance amount of Rs. 3.99 lacs will be spent in the future.

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

#### **CORPORATE GOVERNANCE :**

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

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

**Disclosure under Companies Act, 2013 :****(i) Extracts of Annual Return**

The details forming Part of the Extracts of Annual Return is annexed as per **Annexure 'E'**.

**(ii) Meetings**

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

**(iii) Composition of Audit Committee**

The Board has constituted a Audit Committee, which comprises of Mr. T.N. Pandey as the Chairman, Mr. M.G. Gupta, Mr. G.N. Gupta, Mrs. Anupam Ahuja and Mr. R.K. Jain as the Members. More details about the Committee are given in the Corporate Governance Report appended hereto.

**(iv) Related Party Transactions**

All related party transactions are negotiated on an arms-length basis and are in ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. However, suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website [www.flexfoodsltd.com](http://www.flexfoodsltd.com/b2c-policy-on-related-party-transactions.php). at the weblink <http://www.flexfoodsltd.com/b2c-policy-on-related-party-transactions.php>

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the Provisions of Section 186 of the Companies Act, 2013 are given in the accompanying Financial Statements.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :**

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

**INTERNAL FINANCIAL CONTROLS:**

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

**VIGIL MECHANISM AND WHISTLE BLOWER POLICY :**

Fraud-free and corruption-free work culture has been the core of the Company' functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical

spread of operations, the company has put even greater emphasis to address this risk.

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

**BOARD EVALUATION :**

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

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

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. There were no complaint received from any employee during the financial year 2015-2016 and hence no complaint is outstanding as on 31.03.2016 for redressal.

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

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2016 and the date of this report affecting financial position of the Company.

**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 Legal Compliance System. 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 Legal Compliance System are periodically reviewed by the Management, Internal Auditors, Statutory Auditors and the Audit Committee.

#### **INTERNAL POLICY ON REMUNERATION :**

The company has Internal Remuneration Policy for Directors, Key Management Personnel and Senior Management Personnel. The policy takes into account several factors like age, qualification, years of experience in the industry/functional area and business management, present emoluments and other qualitative factors such as leadership qualities, communication skills, and performance track record. The aim is to ensure that the company attracts and retains competent people.

#### **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES :**

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

#### **PARTICULARS OF EMPLOYEES :**

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

Meeting. Member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

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

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

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

#### **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 : 26<sup>th</sup>.May, 2016



**ANNEXURE - A**  
**FORM NO.- MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 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, 1992 (upto 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider

Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015).

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **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) Regulation 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not get delisted its equity shares from any stock exchange during the financial year under review.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- vi) The management has informed and identified the following laws as being specifically applicable to the company:
  1. Food Safety & Standard Act, 2006, Rules and Regulation made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and made effective from 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreement entered into by the company with BSE Ltd. and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1<sup>st</sup> December, 2015)

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

The Company was required to spend on CSR Activities Rs. 23.57 Lacs on identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013, Company spent Rs. 19.58 Lacs during the year.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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 Departmental Heads of the Company taken on record by the Board of Directors at their meeting(s) and verified same on test basis, 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 action 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*

Place : Delhi  
Date : May 26, 2016

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

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

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#### **Annexure 'A'**

To,  
The Members,  
**FLEX FOODS LIMITED**  
**Lal Tappar Industrial Area,**  
**P.O. Resham Majri, Haridwar Road,**  
**Dehradun (Uttarakhand)**

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

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

**For Mahesh Gupta and Company**  
*Company Secretaries*

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

Place: Delhi  
Date : May 26, 2016



**ANNEXURE - B**  
**CSR REPORT**

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the Provisions of Companies Act, 2013 and the same is placed on the Company's website www.flexfoodsltd.com and the weblink for the same is http://www.flexfoodsltd.com/PDF/Corporate-Social-Responsibility-Policy/CSRPolicy.pdf
2.	The Composition of the CSR Committee	Mr. M.G. Gupta , Chairman Mr. R.K. Jain, Member Mr. S.K. Kaushik, Member
3.	Average net profit of the company for last three financial years: Average net profit	Rs. 1178.30 Lacs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 23.57 Lacs
5.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year; b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below:	Rs. The Company has spent Rs. 19.58 Lacs Rs. 3.99 Lacs The Manner in which the amount spent in detailed below

Sl. No.	CSR Project or activity identify	Section in which project is Covered	Projects or Programs: 1) Local Area or Other 2) Specify te state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the project or program sub head 1) Direct expenditure on project or program 2) Overheads	Cumulative Expenditure up yo the reporting period	Amount spent or through implementing agency
1	Rural Development in village- Chandi, Balkuwari, Shegarh, chack jogiwala, Chhiderwala, Pratapnagar, Nandgoan, Rajakhet	The Companies Act, 2013 Section 135, Schedule X Rural Development Project.	District Dehradun, Utterekhand	Rs. 19.58 Lacs.	—	Project in progress Rs. 19.58 Lacs	Direct

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

Place : Noida  
Date : 26 May, 2016

**Ashok Chaturvedi**  
Chairman  
DIN 00023452

**Mr. M.G. Gupta**  
(Chairman of CSR Committee)  
DIN 00023524

## ANNEXURE - C REPORT ON CORPORATE GOVERNANCE

### Corporate Governance

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified on September 2, 2015, replacing the earlier provisions as stipulated in Clause 49 of the Listing Agreement w.e.f. December 1, 2015), 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-que-non* for long term success, building the confidence of its stakeholders, its functioning and conduct of business.

#### 2. Board of Directors

##### (a) Composition of the Board (As on March 31, 2016)

The Board of Directors of the Company comprises of seven Directors with one Executive Director and four Independent Non-executive Directors including a Woman Director and two Non-executive Directors. Chairman of the Company is Non-executive Director The Board consists of eminent persons with considerable professional experience in business, industry, finance, audit and law and public enterprises. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all the Companies in which they are Directors. 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.

Name of Directors	DIN	Designation	Category
Mr. Ashok Chaturvedi	00023452	Chairman	Promoter -Non-executive
Mr. T.N. Pandey	00023557	Director	Independent, Non-executive
Mr. G.N. Gupta	00027502	Director	Independent, Non-executive
Mr. M.G. Gupta	00023524	Director	Independent, Non-executive
Mrs. Anupam Ahuja@	03261077	Director	Independent, Non-executive
Mr R.K. Jain	00024692	Director	Non-executive
Mr. S.K. Kaushik*	00027035	Whole time Director	Executive
Mr. P.N. Sharma#	00023625	Director	Independent, Non-executive

@ Mrs. Anupam Ahuja appointed to the Board w.e.f. 04.08.2015

\*Mr. S.K. Kaushik appointed as Whole-time Director w.e.f. 01.03.2016

# Mr. P.N. Sharma was appointed as Independent Director w.e.f. 26.05.2016

##### (b) Board Meetings and Attendance Record of Each Director

Five Board Meetings were held during the financial year 2015-2016. The dates on which the meetings were held are, 27<sup>th</sup> May, 2015, 4<sup>th</sup> August, 2015, 31<sup>st</sup> October, 2015, 1<sup>st</sup> February, 2016 and 1<sup>st</sup> March, 2016. The gap between two meetings was not more than 120 days.

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 is as follows:

Name of the Directors	Attendance Particulars		No. of other Directorship and Committee Member/ Chairmanship	
	Board Meetings	Last AGM	Other Directorships (in Public Co.) #	No. of Membership(s)/ Chairmanship of Board Committee in other companies @
Mr. Ashok Chaturvedi	5	No	2	1 (As Chairman)
Mr. S.K. Kaushik	5	Yes	2	1
Mr. T.N. Pandey	5	No	1	1 (As Chairman)
Mr. G.N. Gupta	5	Yes	3	1 (As Chairman)
Mr. R.K. Jain	5	No	Nil	Nil
Mr. M.G. Gupta	5	No	2	3 (Including 1 as Chairman)
Mrs. Anupam Ahuja	2	No	Nil	Nil

# The Directorship held by the Directors as mentioned above do not include Directorship in Foreign Companies  
@ In accordance with SEBI (LODR) Regulation, 2015, Membership / Chairmanship of only the Audit Committee and Stakeholder Relationship Committee in all public companies (excluding Flex Foods Limited) have been considered.

(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 31<sup>st</sup> March, 2016, none of the Directors of the Company held shares or convertible instruments of the Company except Mr. Ashok Chaturvedi, Director who held 7610 equity shares.

(e) **Board Procedure**

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

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

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

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

(g) **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 being reviewed by the Audit Committee and the Board.

(h) **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 with different points of view and experiences and prevents conflict of interest.

The appointment of the Independent Directors is carried out in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain laid down criteria and takes into consideration the diversity of the Board.

None of the Independent Directors serve as "Independent Directors" in more than seven listed companies.

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

**Separate Meetings of Independent Directors**

As stipulated 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 30<sup>th</sup> March, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committee which is necessary to effectively and reasonably perform and discharge their duties.

(i) **Familiarization Programme for 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 as per the Governance guidelines of the Company, with management expertise and wide range of experience. The 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. Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.flexfoodsltd.com](http://www.flexfoodsltd.com) to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent directors during the year are available on the website of the Company (weblink : <http://www.flexfoodsltd.com/pdf/FAMILIARIZATION%20PROGRAM%20FOR%20IDs.pdf>)

### 3. Audit Committee

Presently, the Audit Committee comprises of Five Member Directors viz. Mr. T.N. Pandey, Mr. G.N. Gupta, Mr. M.G. Gupta, Mrs. Anupam Ahuja and Mr. R.K. Jain. Mr. T.N. Pandey is the Chairman of the Audit Committee. All the members of the Audit Committee are Non-Executive and Independent Directors except Mr. R.K. Jain. Majority of members have accounting and financial management expertise.

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

#### Role of the Audit Committee

- (1) Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- (4) Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- (5) Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval.
- (6) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- (7) Reviewing, and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (8) Approval of any subsequent modification of transaction of the Company with related party .
- (9) Scrutiny of inter corporate loans and investments.
- (10) Valuation of undertaking or assets of the company, wherever it is necessary.
- (11) Evaluation of internal financial control and risk management system.
- (12) Reviewing with the management performance of statutory and internal auditors, adequacy of internal control system.
- (13) Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (14) Discussion with Internal Auditors any significant findings and follow up thereon.
- (15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (17) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (18) To review the functioning of the Whistle Blower Mechanism.
- (19) Approval of appointment of chief financial officer after assessing the qualification, experience and background etc. of the candidate.

(20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, Audit Committee reviews the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**Powers of Audit Committee**

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

**Details of Meetings and Attendance**

During the year, the Audit Committee had met four times on , 27<sup>th</sup> May, 2015, 4<sup>th</sup> August, 2015, 31<sup>st</sup> October, 2015 and 1<sup>st</sup> February, 2016. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Mr. T.N. Pandey	4	4
Mr. G.N. Gupta	4	4
Mr. R.K. Jain	4	4
Mr. M.G. Gupta	4	4
Mr. Anupam Ahuja <sup>^</sup>	3	2

<sup>^</sup> Appointed as member of Audit Committee w.e.f. 04.08.2015.

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

**4. Nomination and Remuneration Committee.**

**Terms of Reference**

The Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of the Whole-time Director/ Manager based on performance and defined criteria.

Further, the remuneration policy of the Company is to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

Presently the Nomination and Remuneration Committee consists four members. All the members of the Nomination and Remuneration Committee are Non-Executive Directors out of which three are Independent. Mr. G.N. Gupta is the Chairman and Mr. T.N. Pandey, Mr. M.G. Gupta and Mr. R.K. Jain are the other Members. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met on 4<sup>th</sup> August, 2015 and 1<sup>st</sup> March, 2016. All the members of the Committee had attended the aforesaid Meeting.

**Performance Evaluation for Independent Director**

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

Details of Remuneration paid to Whole-time Director and Manager for the year ended 31.03.2016 is given below:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission (paid) (Rs.)	Total (Rs.)	Service Contract
*Mr. S.K. Kaushik	1,25,000/-	-	-	1,25,000/-	3 Years
Mr. B.P. Sharma	9,88,452/-	10,04,905/-	-	19,93,357/-	3 Years

\*Appointed w.e.f. 01.03.2016

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

The company does not have any stock option scheme.

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

(in Rs.)

Name of Directors	Board Meetings	Committee Meetings	Total
Mr. Ashok Chaturvedi	125000	50000	175000
Mr. T.N. Pandey	125000	250000	375000
Mr. G.N. Gupta	125000	175000	300000
Mr. M.G. Gupta	125000	200000	325000
Mrs. Anupam Ahuja&	50000	50000	100000
Mr. R.K. Jain	125000	300000	425000
Mr. S.K. Kaushik*	100000	125000	225000

\* Mr. S.K. Kaushik become Whole time Director w.e.f. 01.03.2016

& Mrs.. Anupam Ahuja was appointed as Director of the Company w.e.f. 04.08.2015

## 5. Stakeholders' Relationship Committee

Presently the Stakeholders' Relationship Committee consists of Mr. T.N. Pandey (Chairman), Mr. R.K. Jain and Mr. S.K. Kaushik. The Committee, *inter-alia*, approves issue of duplicate certificates and oversees & reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/investors' grievances. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company Secretary acts as the Secretary to the Committee.

In order to expedite the process of share transfers, the Board of Directors have nominated a Committee of two officers, who normally attend to the transfer, Non receipt of Annual Report, Dividend and other related matters within a period of 10-12 days. The Committee of Officers operates subject to overall supervisions and directions of Stakeholders' Relationship Committee.

During the year, the Shareholders'/Investors' Grievance Committee had met on 04<sup>th</sup> September, 2015, 02<sup>nd</sup> November, 2015 and 03<sup>rd</sup> February, 2016. and all the meetings were attended by all the members of the Committee..

The total numbers of complaints received and resolved during the year under review were 19, outstanding complaints as on 31.03.2016 were nil. There was no valid share transfer pending for registration for more than 10 days as on the said date.

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

### Prohibition of Insider Trading

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

## 6. Corporate Social Responsibility Committee of Board

The Corporate Social Responsibility Committee of the Board (CSR) has constituted on 22<sup>nd</sup> May, 2014 pursuant to the requirement of the Section 135 of the Companies Act, 2013 and presently consists of three directors. . The members of CSR are Mr. M. G. Gupta (Chairman), Mr. R. K. Jain and Mr. S.K. Kaushik.

The terms of reference of the committee include formation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on CSR activities and monitoring the CSR Policy of the Company from time to time.



The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring 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 meeting of Corporate Social Responsibility Committee was held on 31<sup>st</sup> March, 2016

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

#### **7. Subsidiary Companies**

The Company does not have any Subsidiary Company.

#### **8. Compliance Certificate**

Compliance Certificates for Corporate Governance from Auditors of the Company is annexed herewith.

#### **9. General Body Meetings**

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

<b>AGM</b>	<b>Day, Date &amp; time</b>	<b>Venue</b>	<b>Special Resolution Passed</b>
23 <sup>rd</sup>	Saturday June 29, 2013 at 3:00 P.M.	Registered Office at: Lal Tappar Industrial Area P.O. Rasham Majri Haridwar Road Dehradun, Uttarakhand	Nil
24 <sup>th</sup>	Saturday August 23, 2014 at 3:00 P.M.	Same as above	• Borrow money in excess of Paid up capital and Free reserve
25 <sup>th</sup>	Saturday August 22, 2015 at 3:00 P.M.	Same as above	NIL

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

Yes, the company has put the resolution as special resolution. The Company has successfully completed the process of obtaining approval of its Members on the following Resolutions through Postal Ballots during year 2015-2016:

- Appointment of Mr. S.K. Kaushik (DIN 00027035) as Whole-time Director of the Company (Special Resolution)

Voting Pattern and Procedure for Postal Ballot :

- i) The Board of Directors of the Company, resolution dated 01 March, 2016 had appointed Mr. Raghav Agarwal, Designated Partner, M/s. RA & Co., Company Secretaries LLP to act as Scrutinizer for conducting the Postal Ballots voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 1<sup>st</sup> March, 2016 together with the Explanatory Statement on 14<sup>th</sup> March, 2016 along with forms and prepaid postage business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members / list of Beneficiaries as processed by CDSL & NSDL.
- iii) The voting under the postal ballot was kept open from 15<sup>th</sup> March, 2016 to 13<sup>th</sup> April, 2016 (either physically or through electronic mode)
- iv) Particulars of Postal Ballot Forms received from the Members using the electronic platform of CDSL were entered in a register maintained for the purpose.
- v) The Postal Ballot forms were kept under his safe custody and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All Postal Ballot Forms received / receivable upto the close of working hours on 13<sup>th</sup> April, 2016 the last date and time fixed by the Company for receipt of the Forms, had been considered for his scrutiny.
- vii) Envelopes containing Postal Ballot Forms received after close of business hours on 13<sup>th</sup> April, 2016 had not been considered for his scrutiny.
- viii) On 18<sup>th</sup> April, 2016 the Results were announced as under:

**Appointment of Sh. S.K. Kaushik as Whole-time Director of the Company w.e.f. 01.03.2016**

(i) **Voted in favour of the resolution:**

	Number of Members voted	Number of votes cast in favour of the resolution	% of total number of valid votes cast
E-voting	15	57689	0.7757
Postal Ballot	16	7378265	99.2108
<b>Total</b>	<b>31</b>	<b>7435954</b>	<b>99.9865</b>

(iii) **Voted against the resolution:**

	Number of Members voted	Number of votes cast against the resolution	% of total number of valid votes cast
E-voting	1	1000	0.0135
Postal Ballot	0	0	0
<b>Total</b>	<b>1</b>	<b>1000</b>	<b>0.0135</b>

(v) **Invalid Votes:**

Total number of members whose votes were declared invalid	Total numbers of votes cast by them
3	250

(c) Are Special Resolutions proposed to be put through Postal Ballot this year?

At present, no Special Resolution is proposed to be passed through Postal Ballot. However, the Company will consider as and when it is required.

**10. Disclosures**

**a) Related Party Transactions**

None of the transactions with any of related parties were in conflict with the Company's interest. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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

The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website. At <http://www.flexfoodsltd.com/b2c-policy-on-related-party-transactions.php>

**b) Whistle Blower Policy**

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

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

**c) Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**d) Disclosures of Risk Management**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A Risk Management Executive Committee consisting of Senior Executives of the Company periodically reviews these procedures to ensure that executive management controls risk through properly defined framework. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

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

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

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

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

**g) Management Discussion and Analysis**

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

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

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

However, the Company has paid penalty of Rs.95760/-for not appointing woman director on time.

**i) Code of conduct**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the directors and senior management. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been put on the Company's website ([www.flexfoodsltd.com](http://www.flexfoodsltd.com)) (Weblink : <http://www.flexfoodsltd.com/b2c-code-of-conduct.php>). 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 Manager is published in this Report.

**j) Review of Directors' Responsibility Statement**

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**k) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

Despite Company being a Net Foreign Exchange earner, it does not absolve the Company from Foreign Exchange Risk due to time difference of Inflows and Outflows.

The Company does not follow any policy of Hedging Exchange Risk and keeps its Foreign Exchange Exposure open, however keeps a close watch on the exchange rate movement.

**l) The Company has complied with the conditions of Corporate Governance requirements as stipulated in Clause 49 of Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.**

**11. CEO/CFO Certifications**

Mr. B.P. Sharma, Manager and Mr. Naval Duseja, DY. General Manager (Finance & Accounts) CFO give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on 26.05.2016

**12. Other Requirements**

**(i) The Board**

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

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

**(ii) Shareholders Rights**

The quarterly, half-yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website. The complete Annual Report is sent to each and every shareholder of the Company.

**(iii) Audit Qualifications**

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

**(iv) Reporting of Internal Auditors**

The Internal Auditors directly report to the Audit Committee

**13. Means of Communication**

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

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



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

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

**14. General Shareholders Information**

**(a) Annual General Meeting to be held**

Date : 20th August, 2016  
 Day : Saturday  
 Time : 3:00 P.M.  
 Venue : Lal Tappar Industrial Area, P.O. Resham Majri,  
 Haridwar Road, Dehradun, Uttarakhand

**(b) Financial Calendar**

- Results for quarter ending 30.06.2016 : First week of August, 2016
- Results for quarter ending 30.09.2016: : First week of November, 2016
- Results for quarter ending 31.12.2016: : First week of February, 2017
- Results for quarter ending 31.03.2017: : Last week of May, 2017

**(c) Book Closure date**

13th August, 2016 to 20th August 2016 (both days inclusive)

**(d) Dividend**

Dividend for the financial year 2015-2016, if declared will be paid/credited to the account of the shareholders on or after 20th August, 2016.

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

The equity shares are listed with the BSE Limited, Mumbai

**Note** : Annual Listing fee for the year 2016-2017 have been duly paid to BSE Limited.

**(f) Stock Code - Trading symbol – BSE Limited : 523672**

**(Equity shares)**

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

**(h) Stock Market Price for the year 2015-2016:-**

Share prices on BSE Limited are as under:

(Rs.)

Month	High	Low
April, 2015	63.40	49.15
May, 2015	65.00	53.65
June, 2015	62.00	48.60
July, 2015	71.80	51.00
August, 2015	80.00	48.00
September, 2015	56.80	48.00
October, 2015	64.35	50.65
November, 2015	56.00	50.00
December, 2015	74.40	53.95
January, 2016	74.00	52.70
February, 2016	65.70	47.50
March, 2016	58.00	51.50

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

The shares of the Company are not considered by the Stock Exchanges in their index fluctuations.



**(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  
3<sup>rd</sup> Floor, 99, Madangir  
Behind Local Shopping Centre  
Near Dada Harsukh Dass 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.**

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

**(l) Distribution of Share holding as on 31.03.2016**

Range	No. of Shareholders	No. of shares	% of total equity
1 - 5000	13520	1755394	14.10
5001 -10000	518	436002	3.50
10001 – 20000	261	411664	3.31
20001 – 30000	80	212892	1.71
30001 – 40000	64	232243	1.87
40001 – 50000	42	198943	1.60
50001 – 100000	56	420120	3.37
100001 and above	56	8774705	70.48
Transit shares *		8037	0.06
<b>TOTAL</b>	<b>14597</b>	<b>12450000</b>	<b>100.00</b>

\* As on 31.03.2016, these shares lying in pool account of NSDL/CDSL since buyers identity are not established

**(m) Categories of Shareholders as on 31.03.2016**

Category	No. of shares held	% of shareholding
Promoters & Associates	7429735	59.68
Financial Institutions & Mutual Funds	--	--
Foreign Institutional Investors	--	--
NRIs	178366	1.43
Banks	--	--
GDRs	--	--
Other Corporate Bodies	240557	1.93
Others (General Public)	4593305	36.89
Shares in transit (Demat) *	8037	0.07
<b>Total</b>	<b>12450000</b>	<b>100.00</b>

\*As on 31.03.2016, these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

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

Nearly 92.10% of total equity share capital is held in dematerialized form upto 31.03.2016 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

(o) **Plant Locations**

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

(p) **Address for Correspondence**

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

<p><b>Beetal Financial &amp; Computer Services</b> (Unit Flex Foods Ltd.) BEETAL House 3<sup>rd</sup> Floor, 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir New Delhi – 110062 Tel. No.011- 29961281 Fax No.011- 29961284 E-mail: beetal@beetalfinancial.com</p>	<p><b>Flex Foods Limited</b> 305, Third Floor Bhanot Corner Pamposh Enclave Greater Kailash - I New Delhi - 110048 Tel. No.011-26440925 Fax No.011-26216922 e-mail : flexsec@vsnl.net</p>
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**15. Discloser with respect to demat suspense account/unclaimed suspense account**

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

Sl. No.	Particulars	No. of Share-holders	No. of equity shares held
1.	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the year	143	14500
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	143	14500

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

**16. Compliance Certificate**

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.

The above report has been placed before the Board at its meeting held on 26<sup>th</sup> May, 2016 and the same was approved.



## **AUDITORS' 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 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 stipulated in the above-mentioned Listing Agreement / Listing Regulations, 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 **JAIN SINGHAL & ASSOCIATES.**

Chartered Accountants

Firm's Registration No. 005839N

**Bhawna Khanna**

Partner

Membership No. 502428

Dated : 26<sup>th</sup> May, 2016

Place : New Delhi

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### **DECLARATION**

**To the Members of  
FLEX FOODS LIMITED**

I, B.P. Sharma, Manager 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 31<sup>st</sup> March, 2016 pursuant to the requirements of Clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **FLEX FOODS LIMITED**

Place : NOIDA

Dated : 26<sup>th</sup> May, 2016

**B.P. SHARMA**

Manager

## ANNEXURE - D

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Forward Looking Statement

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

#### Industry Scenario and Developments

Food processing industry in India is increasingly seen as a potential source for driving rural economy as it brings synergy between industry and agriculture. A developed food processing industry is expected to lead increase in farm gate prices translating into increased rural incomes, reduce wastages, ensure value addition, promote crop diversification, generate employment opportunities as well as export earnings. With such a large and diversified production base coupled with low manpower cost and modern technology, the Indian food processing sector is poised for growth, if the advantages are leveraged optimally.

#### Product-wise performance

##### Sale of Finished Goods

Description	Current Year		Previous Year	
	Quantity (in MTS)	Value (Rupees in Lacs)	Quantity (in MTS)	Value (Rupees In Lacs)
Processed & Fresh Mushroom	1,412	2,765.14	1,265	2,588.76
Processed Herbs	1,400	3,953.29	1,535	4,365.73
Processed Fruits and Vegetables & others items	264	1,198.20	59	178.62
<b>Total</b>	<b>3,076</b>	<b>7,916.63</b>	<b>2,859</b>	<b>7,133.11</b>

#### Opportunities and Threats

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

In order to facilitate and exploit the growth potential of the sector, the government on its part has initiated extensive reforms. Some of the key measures undertaken by the Government include: amendment of the Agriculture Produce Marketing Committee Act, rationalization of food laws, implementation of the National Horticulture mission etc. The government has also outlined a plan to address the low scale of processing activity in the country by setting up the mega food parks, with integrated facilities for procurement, processing, storage and transport. To promote private sector activity and invite foreign investments in the sector

The growth is driven by the fact that the central government has given a priority status to all agro-processing businesses. Government incentives in the field of mega food parks, cold chain and exports benefits are also playing an important role in promoting food processing.

The mushroom industry has a bright future due to increasing demand of mushroom worldwide. India is not a major producer of any of the mushroom varieties but it does cultivate mushrooms and has a great potential as an important producer in the future.

#### Business Overview

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

the Government allows 100% FDI in the food processing & cold chain infrastructure.

However, despite continual efforts and initiatives of the Government to provide the required stimulus to the sector, processing activity is still at a nascent stage in India with low penetration. At the same time, though India is a key producer of food products, having an adequate production base for inputs, productivity levels are very low in the country.

The Indian food regulations comprise various food policies that have been enacted at different points of time, and are under the ambit of various ministries of Government of India (GOI). Historically they were introduced to complement and supplement each other in achieving total food sufficiency, safety and quality. The result is that the food sector in India is governed by a number of different statutes rather than a single comprehensive enactment. This incremental approach has led to incoherence and inconsistency in the food sector regulatory scenario.



Since Company has all types of processing facilities i.e. freeze dried, air dried, frozen/ IQF, canned etc., it has attained special status of single point source supplier of processed food products to meet the customer needs of all kind. It also helps the Company to have a better competitive edge over the other suppliers. The Company has also developed its expertise in maintaining the global quality and hygiene standards. The Company is well poised to meet the challenge of competition. It has built up adequate processing capacities to meet the growth potential both in the Domestic and International Markets.

### Future Outlook

The food processing industry is one of the emerging industry throughout the world especially in developing countries like India it is getting a more and more attractive for the agricultural oriented economy. The industry is proving a ray of hope for modernizing the primary sector (agriculture and allied industries) in these developing nations. The primary sector plays a vital role in Indian economy and it is regarded as the 'back bone' of the economy.

Indian food processing industry is poised for explosive growth driven by changing demographics, growing population and rapid urbanization. These factors will increase the demand for value added products and thus improve the prospects of food processing industry in India.

### Risks & Concerns

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

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

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

### Internal Control System, their Adequacy and operative effectiveness

The Company has laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has also laid down an adequate system for legal compliances. It has created appropriate structures with proper delegations of duties and responsibilities of employees at each level on enterprise basis which ensures the proper adherence and compliance of such systems.

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

### Human Resources/Industrial Relations

The company lays due emphasis on sound Human Resource Management practices and appraisal systems with focus on cordial employer-employee relations to ensure higher level of productivity and operational efficiency. Adequate initiatives have been taken to strengthen and develop its human resources as a key strength through continuous training inputs and focused development plan. As on 31<sup>st</sup> March 2016, the total number of permanent employee in the Company were 500.

### Environment, Occupational Health & Safety

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

### Analysis of Financial Performance 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, 2016	March 31, 2015	Growth %
Land	<b>382.45</b>	382.45	-
Buildings	<b>2151.71</b>	1851.29	16.23
Plant & Equipments	<b>9563.44</b>	7584.59	26.09
Electrical Fittings & Installations	<b>386.68</b>	253.01	52.83
Office Equipments	<b>65.70</b>	53.13	23.66
ERP Software	<b>32.49</b>	31.26	3.93
Furniture & Fixtures	<b>17.75</b>	12.83	38.35
Vehicles	<b>141.19</b>	132.96	6.19
<b>Total</b>	<b>12741.41</b>	10301.52	
Less: Acc. Depreciation	<b>5190.13</b>	4800.86	8.11
Add: CWIP	<b>17.15</b>	236.34	
<b>Net Fixed Assets</b>	<b>7568.43</b>	5737.00	



**CURRENT ASSETS LOANS & ADVANCES**

**Inventories**

Inventories include stock of raw material, consumables, work-in-progress, finished goods and packing material. Total inventories were Rs 1805.33 lacs, as at 31<sup>st</sup> March 2016 as against Rs.1622.21 lacs as at 31<sup>st</sup> March 2015. This represents 108.21% & 118.42% of the consumption of raw material for 31.03.2016 and 31.03.2015 respectively.

**Sundry Debtors**

Sundry debtors were Rs 1866.31 lacs as at 31<sup>st</sup> March, 2016 as against Rs. 1226.81 lacs as at 31<sup>st</sup> March, 2015. Debtors as a percentage of total revenue from operation were 22.52 % for the current year as against 16.93 % for the previous year.

**Cash and Bank Balances**

Cash and bank balances were 11.40 % of total assets as on 31<sup>st</sup> March, 2016 as against 5.24 % as on 31<sup>st</sup> March, 2015

**Loans & Advances**

Loans & Advances mainly comprise of loans to staff, advances recoverable in cash or kind, advance taxes

and security deposits. Advances recoverable in cash or kind or for value to be received are mainly towards amount paid in advance for value and services to be received in future. Security deposits mainly represent deposit for electricity.

**Net Deferred Tax Assets**

Deferred tax liabilities of Rs. 755.66 lacs represent closing balance of net deferred tax liabilities after adjusting total deferred tax assets and deferred tax liabilities as on 31.03.2016. It has been calculated in accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

**CURRENT LIABILITIES & PROVISIONS**

**Current Liabilities**

Sundry Creditors include amount payable to vendors for supply of goods and services. Advances from customers represent amount for which material has not yet been delivered. Other liabilities include amounts payables to staff/workers for earned leave, bonus, salary and overtime besides taxes.

**B. RESULTS OF OPERATIONS**

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

(Rs.in lacs)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Amount	%	Amount	%
<b>INCOME</b>				
Revenue from operations	8286.42	97.16	7245.20	96.72
Other income	242.30	2.84	245.88	3.28
Total Revenue	<u>8528.72</u>	<u>100.00</u>	<u>7491.08</u>	<u>100.00</u>
<b>EXPENDITURE</b>				
Raw Material Consumed	1668.34	19.56	1369.90	18.29
(Increase)/Decrease in stock	(210.72)	(2.47)	(499.24)	(6.66)
Manufacturing Exp.	1912.17	22.42	1785.42	23.83
Payment & Benefit to Employees	1419.58	16.65	1246.37	16.64
Administrative, Selling & Other Expenses	1664.33	19.51	1472.35	19.65
OPERATING EXPENSES	6453.70	75.67	5374.80	71.75
EBDIT	2075.02	24.33	2116.28	28.25



**ANNEXURE - E**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L15133UR1990PLC023970
- ii) Registration Date : 5<sup>th</sup> February, 1990
- iii) Name of the Company : Flex Foods Limited
- iv) Category / Sub-Category of the Company : Company Limited By Shares / Indian Non-Government Company
- v) Address of the Registered office and contact details : Lal Tappar Industrial Area, Po-Resham Majri  
Haridwar Road, Dehradun,  
UTTARAKHAND  
Tel : 0135-249 9262, 0135-249 9234
- vi) Whether listed company Yes / No : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Beetal Financial & Computer Services Pvt Ltd  
(UNIT : FLEX FOODS LIMITED)  
Beetal House, 3rd Floor, 99, Madangir,  
Behind Local Shopping Centre  
Near Dada Harsukh Dass Mandir  
New Delhi – 110 062  
Tel : 011-29961281-283

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	FREEZE DRIED MUSHROOM, HERBS, VEGETABLES & FRUIT	0712.3100	59%
2	FROZEN / INDIVIDUAL QUICK FROZEN FRUITS, VEGETABLES, MUSHROOM AND HERBS	0710.8090	18%
3	PROCESSED FOOD VIZ MUSHROOM FRESH & PROCESSED (INCLUDING CANNED)	0910.9933	19%

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

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

*i) Category-wise Share Holding*

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individuals / Hindu Undivided Family	52620	--	52620	0.42	52620	--	52620	0.42	--
b) Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	7377115	--	7377115	59.26	7377115	--	7377115	59.26	--



Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (A)(1)</b>	<b>7429735</b>	<b>--</b>	<b>7429735</b>	<b>59.68</b>	<b>7429735</b>	<b>--</b>	<b>7429735</b>	<b>59.68</b>	<b>--</b>
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>7429735</b>	<b>--</b>	<b>7429735</b>	<b>59.68</b>	<b>7429735</b>	<b>--</b>	<b>7429735</b>	<b>59.68</b>	<b>--</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	--	--	--	--	--	--	--	--	--
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (B)(1)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>1. Non-Institutions</b>									
a) Bodies Corporate									
i. Indian	235102	3900	239002	1.92	236757	3800	240557	1.93	0.01
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals-									
i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	2376953	980551	3357504	26.97	2453666	967151	3420817	27.48	0.51
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	1119783	12500	1132283	9.09	1159988	12500	1172488	9.42	0.33
c) Any Other (specify)									
- NRIs	216509	--	216509	1.74	178366	--	178366	1.43	-0.31
- Clearing Members (in Transit Position)	74967	--	74967	0.60	8037	--	8037	0.06	-0.54
<b>Sub - Total (B)(2)</b>	<b>4023314</b>	<b>996951</b>	<b>5020265</b>	<b>40.32</b>	<b>4036814</b>	<b>983451</b>	<b>5020265</b>	<b>40.32</b>	<b>--</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>4023314</b>	<b>996951</b>	<b>5020265</b>	<b>40.32</b>	<b>4023314</b>	<b>983451</b>	<b>5020265</b>	<b>40.32</b>	<b>--</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>11453049</b>	<b>996951</b>	<b>12450000</b>	<b>100</b>	<b>11466549</b>	<b>983451</b>	<b>12450000</b>	<b>100</b>	<b>--</b>



## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	UFLEX Limited	5870000	47.15	--	5870000	47.15	--	--
2	Anshika Investments Pvt.ltd.	1252630	10.06	--	1252630	10.06	--	--
3	Anshika Consultants Pvt Ltd	150000	1.20	--	150000	1.20	--	--
4	Rashmi Chaturvedi	45010	0.36	--	45010	0.36	--	--
5	Flex International Pvt. limited	11300	0.09	--	11300	0.09	--	--
6	A R Leasing Pvt Ltd.	4000	0.03	--	4000	0.03	--	--
7	Ashok Kumar Chaturvedi	7610	0.06	--	7610	0.06	--	--
8	Sambhav Finlease Private Limited	53585	0.43	--	53585	0.43	--	--
9	A.I. Consultants Private Limited	25000	0.20	--	25000	0.20	--	--
10	Magic Consultants Private Limited	10500	0.08	--	10500	0.08	--	--
11	Naru Investments Private Limited	100	0.00	--	100	0.00	--	--
	<b>Total</b>	<b>7429735</b>	<b>59.68</b>		<b>7429735</b>	<b>59.68</b>		

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

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

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

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Sangeetha S	198690	1.60	198690	1.60
2	Santosh Sitaram Goenka	151574	1.22	209232	1.68
3	Sunita Santosh Goenka	118384	0.95	141548	1.14
4	Supriya Santosh Goenka	88759	0.71	97720	0.78
5	Ravindra Shankar Wagh .	50050	0.40	50050	0.40
6	Avinash Baheti	35000	0.28	35000	0.28
7	Harshadkumar Ratilal Desai	34660	0.28	32460	0.26
8	Srinivasa Babu Thikkamaneni	30000	0.24	30000	0.24
9	Bharat J. Patel	28450	0.23	28450	0.23
10	Varsha Ramesh Parikh	24900	0.20	24900	0.20

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>Mr. Ashok Chaturvedi</b>					
1	At the beginning of the year	7610	0.06	7610	0.06
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	<b>7610</b>	<b>0.06</b>	<b>7610</b>	<b>0.06</b>
<b>Mr. M.G. Gupta</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	--	--	--	--
<b>Mr. G.N. Gupta</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	--	--	--	--
<b>Mr. T.N. Pandey</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	--	--	--	--
<b>Mr. R.K. Jain</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	--	--	--	--
<b>Mr. S.K. Kaushik</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	--	--	--	--



Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>Mrs. Anupam Ahuja</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. Navel Duseja</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. B. P. Sharma</b>					
1	At the beginning of the year	70	0.00	70	0.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	<b>70</b>	<b>0.00</b>
<b>Mr. Rajesh Dheer</b>					
1	At the beginning of the year	1	0.00	1	0.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	<b>1</b>	<b>0.00</b>

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2464.22	--	--	2464.22
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	7.21	--	--	7.21
<b>Total (I + ii + iii)</b>	<b>2471.43</b>	--	--	<b>2471.43</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	11253.87	--	--	11253.87
• Reduction	9719.38	--	--	9719.38
<b>Net Change</b>	<b>1534.49</b>	--	--	<b>1534.49</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4000.97	--	--	4000.97
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	4.95	--	--	4.95
<b>Total (i + ii + iii)</b>	<b>4005.92</b>	--	--	<b>4005.92</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Whole-time Directors and/or Manager:**

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Mr. S.K. Kaushik Whole –time Director (w.e.f. 01.03.2016)	Mr. B.P. Sharma Manager	Total Amount
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.25 --	9.89 9.97	11.14 9.97
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify			
5.	Others - Ex-Gratia		0.08	0.08
	<b>Total (A)</b>	<b>1.25</b>	<b>19.94</b>	<b>21.19</b>
	Ceiling as per the Act	55.96	55.96	111.92

**B. Remuneration to other directors:**

**1. Independent Directors**

Amount (Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. M. G. Gupta	Mr. T.N. Pandey	Mr. G.N. Gupta	Anupam Ahuja	
1.	• Fee for attending board / committee meetings • Commission • Others, please specify	3.25 -- --	3.75 -- --	3.00 -- --	1.00 -- --	11.00 -- --
	<b>Total B(1)</b>	<b>3.25</b>	<b>3.75</b>	<b>3.00</b>	<b>1.00</b>	<b>11.00</b>

**2. Other Non-Executive Director**

Amount (Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Ashok Chaturvedi	Mr. S.K. Kaushik (Non-executive Director till 29.02.2016)	Mr. R.K. Jain	
1.	• Fee for attending board / committee meetings • Commission • Others, please specify	1.75 -- --	2.25 -- --	4.25 -- --	8.25 -- --
	<b>Total B(1)</b>	<b>1.75</b>	<b>2.25</b>	<b>4.25</b>	<b>8.25</b>

**C. Remuneration To Key Managerial Personnel Other Than Md/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Naval Duseja [CFO]	Mr. Rajesh Dheer Company Secretary	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.40	4.61	14.01
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.81	8.68	18.49
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission			
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5.	Others			
	- Ex-Gratia	0.08	0.08	0.16
	<b>Total</b>	<b>19.29</b>	<b>13.37</b>	<b>32.66</b>

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

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

**ANNEXURE - F**

**DETAIL OF MEDIAN FOR THE DIRECTORS' REPORT OF FLEX FOODS LIMITED**

**PARTICULARS OF REMUNERATION**

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

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

<b>Non-Executive Directors</b>	<b>Ratio to Median Remuneration</b>
Mr. Ashok Kumar Chaturvedi	1.29
Mr. Triloki Nath Pandey	2.77
Mr. Gyanendra Nath Gupta	2.22
Mr. Madan Gopal Gupta	2.40
Mr. Ravinder Kumar Jain	3.14
Ms. Anupam Ahuja	0.74
Mr. Surrender Kumar Kaushik ( <i>till 29.02.2016</i> )	1.66
<b>Executive Director</b>	<b>Ratio to Median Remuneration</b>
Mr. Surrender Kumar Kaushik ( <i>w.e.f. 01.03.2016</i> )	0.92

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

<b>Name of Person</b>	<b>% Increase in remuneration</b>
<b>Non Executive Directors</b>	
Mr. Ashok Kumar Chaturvedi	84.21%
Mr. Triloki Nath Pandey	41.51%
Mr. Gyanendra Nath Gupta	57.90%
Mr. Madan Gopal Gupta	51.16%
Mr. Ravinder Kumar Jain	46.55%
Ms. Anupam Ahuja	NA
Mr. Surrender Kumar Kaushik ( <i>till 29.02.2016</i> )	15.38%
<b>KMP</b>	
Mr. Bhagwati Prasad Sharma ( <b>Manager</b> )	12.49%
Mr. Naval Duseja ( <b>CFO</b> )	16.29%
Mr. Rajesh Dheer ( <b>CS</b> )	10.64%
Mr. Surrender Kumar Kaushik ( <b>WTD</b> ) ( <i>w.e.f. 01.03.2016</i> )	NA

- (b) **The percentage increase in the median remuneration of employees in the financial year :** 15.01%
- (c) **The number of permanent employees on the rolls of company:** as on 31.03.2016 employees are 500, However the data taken for calculation of median remuneration of the employee was 504.
- (d) **The explanation on the relationship between average increase in remuneration and company performance:** On an average, employees received an increase of 15.01%. The Increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

**(e) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:**

Particulars	Rs/Lac
Remuneration of Key Managerial Personnel(KMP) during financial year 2015-16 (Aggregated)	53.85
Revenue from operations	8286.42
Remuneration (as % of revenue)	0.65%
Profit before tax (PBT)	1278.42
Remuneration (as % of PBT)	4.21%

- (f) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31 March 16	As at 31 March 15	Variation
Closing rate of share at BSE	Rs.	55.40	49.35	12.26%
EPS	Rs.	6.49	7.56	-14.15%
Market Capitalisation	Rs/lac	6897.3	6144.08	12.26%
Price Earning Ratio	Ratio	8.54	6.53	30.77%

- (g) **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees in 2015-16 was **15.01%**. Percentage increase in the managerial remuneration for the year was **16.06%**

- (h) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Manager	Chief Financial Officer	Company Secretary	Whole-Time Director (Appointed w.e.f. 01.03.2016)
	Mr. B.P. Sharma	Mr. Naval Duseja	Mr. Rajesh Dheer	Mr. S. K. Kaushik
	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration	19.94	19.29	13.37	1.25
Revenue	8286.42	8286.42	8286.42	8286.42
Remuneration (as% revenue)	0.24%	0.23%	0.16%	0.015%
Profits before tax (PBT)	1278.42	1278.42	1278.42	1278.42
Remuneration (as % of PBT)	1.56%	1.51%	1.04%	0.10%

- (i) **The key parameters for any variable component of remuneration availed by the directors:**

The remuneration & perquisites of the Whole-Time Director & Manager were approved by the members. Further the Non Executive Directors are getting only sitting fees for attending board & committee meetings.

- (j) **The ratio of the remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

0.021:1

- (k) **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. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.

### ANNEXURE 'G' TO DIRECTORS REPORT

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

#### A) Energy Conservation Measures Taken

Keeping in mind social accountability, efforts were undertaken to reduce energy consumption & emission of pollutants. Steam generation & consumption, electricity & water consumption patterns were studied & optimized for various processes. Company is using briquette as fuel for boiler which has increased the steam generation by approximate 15%.

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

Company has been certified and upgraded at grade AA from grade A, for Global Standard for Food safety (formerly BRC).

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

#### B) Additional investments and proposals being implemented for reduction of energy consumption

HPU Unit: New Herbs Processing Unit with advanced technology has been commissioned and also commercial production has been started, which has resulted in the increased level of production at least cost.

Installation of new freeze drying cabinet with highly upgraded and efficient technology has resulted in significant energy savings.

#### C) Impact of the above measures

Commissioning of new Herbs Processing Unit has resulted in increased raw material handling capacity & process efficiency thereby resulting in significant cost savings.

New freezing plant successful commercial production resulted in greater per batch output and improved product quality.

#### TECHNOLOGY ABSORPTION

##### Research & Development (R&D)

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

The company prioritized and carried out R&D work in process and product development of Freeze dried Green Peas and Sweet corn.

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

Freeze dried Green Peas & Sweet Corn were developed and manufactured in addition to other products.

##### iii) Future Plan of Action

- a) Steps are continuously being taken for innovation and renovation of products including new product development like Freeze dried scarified Peas, Air Dried Cabbage and Green & Red Capsicum.
- b) Automation and process line modifications are being planned to substantially reduce labour costs and to improve productivity and quality.
- c) Training programme has been initiated for farmers for growing of herbs for Good Agricultural Practices (GAP) to grow herbs as per US and EU norms.
- d) Backward integration for growing of herbs with increased area of cultivation for sustained and quality supply of fresh herbs.

#### D. FOREIGN EXCHANGE EARNING AND OUTGO

- a. Activities related to Exports: Initiatives were taken to increase exports, development of new export markets for products and services. The company is at present exporting its products to North America and Europe. The company is continuously exploring possibilities of exporting new and enhanced quantities of existing product mix to existing and new prospective markets.
- b. During the year company has exported manufactured goods calculated on FOB basis amounting to Rs. 5051.62 lacs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to Rs 1304.17 lacs

For and on behalf of the Board

Ashok Chaturvedi  
Chairman

Place : NOIDA

Dated : 26.05.2016



## INDEPENDENT AUDITOR'S REPORT

The Members of  
**FLEX FOODS LIMITED**

### Report on the Financial Statements

We have audited the accompanying Financial Statements of FLEX FOODS LIMITED ("The Company") which comprise the Balance Sheet as at 31st March 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

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.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by "the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
  - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f. 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', and
  - f) 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(a)(i) & (iv) 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;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **JAIN SINGHAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.005839N

Place : NOIDA  
Dated : 26<sup>th</sup> May, 2016.

**Bhawna Khanna**  
Partner  
Membership No. 502428

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

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 **31<sup>st</sup> March 2016**, We report that:

**i. In respect of Fixed Assets of the Company:**

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

**ii. In respect of Inventories of the Company:**

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

- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore the provision of clause (iii) of Para 3 of the Companies (Auditor’s Report) Order, 2016 is not applicable to the company.
- iv. The Company has not given any loans, guarantees and security to any Directors or to any other person in whom Director is interested in compliance with the section 185 of the Act. Further the Company has complied with the requirement of the section 186 of the act in respect of the loan given to any other party, as the amount outstanding during the year were well within the limit specified under section 186.
- v. The Company has not accepted any deposits. Therefore the provision of clause (v) of Para 3 of the Companies (Auditor’s Report) Order, 2016 is not applicable to the Company.
- vi. The Provisions of maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and vide Companies (Cost Records and Audit) Amendment rules, 2014, for the products dealt / manufactured by the Company are not applicable to the company. Therefore the provisions of clause (vi) of Para 3 of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee’s State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Value Added Tax, 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, Sales Tax, Value Added Tax, Duty of Customs, Service Tax, Cess and other applicable statutory dues were in arrears as at 31<sup>st</sup> March 2016 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, Wealth Tax, Service Tax, Value Added Tax, Duty of Customs

and Cess which has not been deposited on account of any dispute. However, according to the information and explanations given to us, following amounts are involved with under mentioned forum in respect of the following:-

- (i) Disputed Income Tax Dues: Aggregate Income Tax of Rs. 102.25 Lakhs, pending before (a) ITAT Delhi (Rs. 16.63 Lakhs), (b) CIT (Appeals) Bangalore (Rs. 4.94 Lakhs) and (c) CIT (Appeals) Delhi (Rs 80.68 Lakhs)
  - (ii) Disputed Customs and Central Excise Dues: Aggregate Duty of Rs 758.50 Lakhs, pending before (a) Commissioner (Customs, Central Excise & Service Tax) Dehradun (Rs. 693.82 Lakhs) and (b) Commissioner (Central Excise Appeals-I) Meerut (Rs 64.68 Lakhs)
- iii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to the bank as at the Balance Sheet date.
  - ix. According to the information and explanations given to us and the records of the Company examined by us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), and term loans have been applied for the same purpose for which the loans were obtained during the year.
  - x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year under audit, nor have we been informed of any such case by the Management.
  - xi. According to the information and explanations given to us and the records of the Company examined by us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
  - xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore the provisions of clause (xii) of Para 3 of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
  - xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
  - xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
  - xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Therefore the provisions of clause (xv) of Para 3 of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
  - xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **JAIN SINGHAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.005839N

Place : NOIDA  
Dated : 26<sup>th</sup> May, 2016.

**Bhawna Khanna**  
Partner  
Membership No. 502428

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

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

**Report on the Internal Financial Controls**

We have audited the Internal Financial Controls over financial reporting of “FLEX FOODS LIMITED” (“the Company”) as of 31 March 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, 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 JAIN SINGHAL & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 005839N

**Bhawna Khanna**

Partner  
Membership No. 502428

Place : NOIDA  
Dated : 26<sup>th</sup> MAY, 2016.



**BALANCE SHEET AS AT 31ST MARCH, 2016.**

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
a) Share Capital	3	1,245.00	1,245.00
b) Reserves and surplus	4	5,567.36	5,133.37
		<u>6,812.36</u>	<u>6,378.37</u>
<b>2 Deferred Government Grants</b>	5	223.24	200.88
<b>3 Non-current liabilities</b>			
a) Long Term Borrowings	6	1,559.06	698.32
b) Deferred Tax Liabilities(Net)	7	755.66	519.30
c) Long Term Provisions	8	73.51	71.72
		<u>2,388.23</u>	<u>1,289.34</u>
<b>4 Current Liabilities</b>			
a) Short-Term Borrowings	9	1,796.76	1,545.20
b) Trade Payables		1,038.44	605.56
c) Other Current Liabilities	10	995.16	473.86
d) Short term Provisions	11	627.08	759.50
		<u>4,457.44</u>	<u>3,384.12</u>
<b>TOTAL</b>		<u><u>13,881.27</u></u>	<u><u>11,252.71</u></u>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Fixed Assets	12		
(i) Tangible Assets		7,548.17	5,492.40
(ii) Intangible Assets		3.11	8.26
(iii) Capital work-in-progress		17.15	236.34
b) Long Term Loans and advances	13	275.34	1,010.42
c) Other Non-Current Assets	14	-	103.77
		<u>7,843.77</u>	<u>6,851.19</u>
<b>2 Current Assets</b>			
a) Inventories	15	1,805.33	1,622.21
b) Trade Receivables	16	1,866.31	1,226.81
c) Cash and Bank Balances	17	1,452.97	539.28
d) Short-Term Loans and Advances	18	785.17	996.98
e) Other Current Assets	19	127.72	16.24
		<u>6,037.50</u>	<u>4,401.52</u>
<b>TOTAL</b>		<u><u>13,881.27</u></u>	<u><u>11,252.71</u></u>
<b>III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-44</b>			

For and on behalf of the Board of Directors

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

**Ashok Chaturvedi**  
Chairman  
DIN -00023452

**S.K. Kaushik**  
Whole-Time Director  
DIN -00027035

**A.R. Rao**  
Chief Executive Officer

**For Jain Singhal & Associates**  
Chartered Accountants  
Firm Registration No.005839N

**M.M. Varshney**  
Sr. Vice president

**Rajesh Dheer**  
Company Secretary

**Naval Duseja**  
Chief Financial Officer

**Bhawna Khanna**  
Partner  
Membership No.502428

Place : NOIDA  
Dated : 26<sup>th</sup> May, 2016



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016.**

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>I Income</b>			
Revenue from operations	20	<b>8,286.42</b>	7,245.20
Other Income	21	<b>242.30</b>	245.88
<b>Total Revenue</b>		<b>8,528.72</b>	7,491.08
<b>II Expenses</b>			
Cost of Material Consumed	22	<b>1,668.34</b>	1,369.90
(Increase)/Decrease in Finished Goods & Work-In-Progress	23	<b>(210.72)</b>	(499.24)
Employee benefits expenses	24	<b>1,419.58</b>	1,246.37
Finance Cost	25	<b>365.57</b>	286.28
Depreciation and amortization expenses	12	<b>431.03</b>	389.15
Manufacturing Expenses	26	<b>1,912.17</b>	1,785.42
Administration and Selling Expenses	27	<b>1,664.33</b>	1,472.35
<b>Total Expenses</b>		<b>7,250.30</b>	6,050.23
<b>III Profit before tax (I-II)</b>		<b>1,278.42</b>	1,440.85
<b>IV Tax expense:</b>			
(1) Current tax		<b>279.34</b>	462.15
(2) Mat Credit Entitlement		<b>(45.87)</b>	-
(3) Deferred tax (Assets) / Liability		<b>236.36</b>	46.74
Less/(Add): Short/(Excess) Provision of Income Tax for earlier year		<b>(0.01)</b>	(9.38)
<b>Total Tax Expenses (IV)</b>		<b>469.82</b>	499.51
<b>V Profit for the year (III-IV)</b>		<b>808.60</b>	941.34
<b>VI Earnings per equity share:</b>			
(1) Basic	28	<b>6.49</b>	7.56
(2) Diluted	28	<b>6.49</b>	7.56
<b>VII NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-44</b>			

For and on behalf of the Board of Directors

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

**Ashok Chaturvedi**  
Chairman  
DIN -00023452

**S.K. Kaushik**  
Whole-Time Director  
DIN -00027035

**A.R. Rao**  
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Sr. Vice president

**Rajesh Dheer**  
Company Secretary

**Naval Duseja**  
Chief Financial Officer

**Bhawna Khanna**  
Partner  
Membership No.502428

Place : NOIDA  
Dated : 26<sup>th</sup> May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016.**

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax		1,278.42	1,440.85
<b>Adjustments for :</b>			
Depreciation and Amortization		431.03	389.15
Deferred Income on Capital Subsidy		(15.15)	(12.83)
Exchange Rate Fluctuations (Net)		(118.04)	(39.43)
Interest expenses		365.57	286.28
Bad debts		-	23.08
Sundry Balances Written Off		48.26	3.24
Sundry Balances Written Back		(2.89)	(9.94)
Loss/(Profit) on Sale of Fixed Assets (Net)		0.71	(4.39)
Interest Income		(120.77)	(192.03)
<b>Operating Profit before Working Capital Changes</b>		<b>1,867.14</b>	<b>1,883.98</b>
<b>Adjustments for :</b>			
(Increase)/Decrease in Inventories		(183.12)	(553.06)
(Increase)/Decrease in Trade Receivable & Other Receivable		(584.54)	816.48
(Increase)/Decrease in Long Term Loans and Advances		838.87	(822.90)
Increase/(Decrease) in Trade Payables, Other Payables & Short Term Provisions		784.32	123.93
Increase in Long Term Provisions(Net)		1.79	7.50
		<b>2,724.46</b>	<b>1,455.93</b>
<b>Cash Generated from Operating activities</b>			
Income Tax paid		(233.47)	(435.47)
Exchange Rate Fluctuations (Net)		118.04	39.43
<b>Net Cash From Operating Activities</b>		<b>2,609.03</b>	<b>1,059.89</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Tangible Assets/Capital Work-In -Progress		(2,266.02)	(943.15)
Purchase of Intangible Assets		(1.23)	(1.25)
Capital Subsidy Received During The Year		37.50	37.50
Proceeds from Sale of Fixed Assets		4.06	6.33
Interest Received		120.77	192.03
<b>Net cash used in Investing Activities</b>		<b>(2,104.92)</b>	<b>(708.54)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds/(Repayment) of Long Term Borrowings (Net)		860.74	(103.58)
Proceeds from Short Term Borrowings(Net)		251.56	(20.38)
Dividend Paid, including Dividend Tax #		(337.15)	(327.39)
Interest & Finance charges		(365.57)	(286.28)
<b>Net cash used in Financing Activities</b>		<b>409.58</b>	<b>(737.63)</b>
Net increase/(decrease) in Cash & Cash Equivalents	(I+II+III)	913.69	(386.28)
Cash & Cash Equivalents at beginning of the year		539.28	925.56
<b>Cash &amp; Cash Equivalents at end of the year ##</b>	17	<b>1,452.97</b>	<b>539.28</b>

**Note:**

# Excluding amount adjusted against Unpaid Share allotment money amounting to Nil (Previous year Rs.0.27 Lacs on 19,700 Shares).

## Includes Rs.101.79 lacs (Previous Year Rs.352.45 lacs) in respect of amount lying in Unclaimed Dividend Account and margin money for bank guarantee.

**IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-44**

For and on behalf of the Board of Directors

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

**Ashok Chaturvedi**  
Chairman  
DIN -00023452

**S.K. Kaushik**  
Whole-Time Director  
DIN -00027035

**A.R. Rao**  
Chief Executive Officer

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**M.M. Varshney**  
Sr. Vice president

**Rajesh Dheer**  
Company Secretary

**Naval Duseja**  
Chief Financial Officer

**Bhawna Khanna**  
Partner  
Membership No.502428

Place : NOIDA  
Dated : 26<sup>th</sup> May, 2016



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### 1 COMPANY PROFILE

Flex Foods Limited, was incorporated on 5th February, 1990 with the Registrar of Companies under the provisions of Companies Act 1956, 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 Limited has been selling its products mainly to the European and US markets.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis, and comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies adopted by the Company are consistent with those used in previous year.

All Assets and Liabilities have been classified as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

#### 2.2 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 realisation of income is uncertain.

#### 2.3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Indian Accounting Standards and requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a going 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.

#### 2.4 VALUATION

##### (i) Fixed Assets

###### a) Tangible

Fixed assets are stated at cost and other incidental expenses, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost such as duties (Net of Cenvat wherever applicable), freight, borrowing cost, adjustment on account of foreign exchange fluctuations, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

###### b) Intangible

Fixed assets are stated at cost and other incidental expenses, less accumulated depreciation and impairment losses. Cost comprises license fees and costs of implementation / system integration services.

##### (ii) Raw Material & Packing Material

Raw material and packing material are valued at lower of cost, based on First in First Out (FIFO) method arrived at after including freight inward directly attributable to acquisition or net realizable value.

##### (iii) Finished Goods

Finished Goods are valued at lower of cost, based on First in First Out (FIFO) method, arrived after including depreciation on Plant & Machinery, Electrical Installation and Factory Building, Repair & Maintenance on Factory Building, specific Manufacturing expenses including Excise Duty and specific Payments and Benefits to Employees or net realizable value.

##### (iv) Work-in-Progress

Work-in-Progress is valued at lower of cost based on First in First Out (FIFO) method, arrived after including depreciation on Plant & Machinery, Electrical Installation and Factory Building, Repair & Maintenance on Factory Building, specific Manufacturing expenses including Excise Duty and specific Payments and Benefits to Employees or net realizable value.

##### (v) Cost of Consumable Stores & Spares

Spares & Consumables are valued at lower of cost based on First in First Out (FIFO) method or net realizable value.

#### 2.5 FOREIGN CURRENCY TRANSACTIONS

- (i) Foreign Currency monetary items remaining unsettled at the year-end, are translated at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- (ii) Exchange differences on settled/translated monetary items are adjusted as income/expense through the Exchange Fluctuation Account in the year they arise.
- (iii) Difference between the forward and exchange rate on the date of transactions are adjusted over the period of the contract as an income / expense through the Exchange Fluctuation Account.
- (iv) Profit or loss on cancellation of forward contracts for transactions is adjusted as income / expense through Exchange Fluctuation Account in the year they arise.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### 2.6 DEPRECIATION

- (i) Normal depreciation on all Fixed Assets except Land & Intangible Assets are provided on Straight Line Method as per the Schedule-II of The Companies Act, 2013 and after providing for the residual value with (maximum to the extent of 5%) of the Fixed Assets as determined by the management.
- (ii) Intangible assets are written off over a period of five years from the date of put to use.
- (iii) Depreciation/Amortization on addition /deletions to Fixed Assets is provided on pro-rata basis from/to the date of addition/deletions.
- (iv) Depreciation/Amortization on additions/deletions to the Fixed Assets due to Exchange Rate Fluctuation is provided on pro-rata basis since inception.

### 2.7 IMPAIRMENTS

The carrying amount of assets are periodically assessed by the management, using internal & external sources, to determine whether there is any indication that assets of concerned cash generating unit may be impaired. Impairment loss, if any is provided to the extent the carrying amount of assets of concerned cash generating unit exceeds their recoverable amount. The recoverable amount is higher of net selling price of assets of concerned cash generating unit and their present value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of assets of concerned cash generating unit and from their disposal at the end of their useful life.

### 2.8 GOVERNMENT GRANTS

- (i) Capital Subsidy received from Government as contribution towards Capital Outlay for setting up the fixed assets 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.

### 2.9 SALES

- (i) Export Sales are accounted for on C & F / F.O.B basis.
- (ii) Sales Returns are adjusted from the sales of the year in which the returns take place.

### 2.10 PURCHASES

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

### 2.11 EMPLOYEES BENEFITS

- (i) Defined long term benefit is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit & Loss.
- (ii) Defined Contribution Plans are charged to Statement of Profit & Loss based on the contribution made to the specified fund.
- (iii) Short term employee benefits are charged to Statement of Profit & Loss at the undiscounted amount in the year in which the related service is rendered.

### 2.12 PROVISION FOR INCOME TAX

Income tax expenses are accrued in accordance with Accounting Standard-22 "Accounting for Taxes on Income" as notified by the Companies Accounting Standard (Rules) 2006, which include Current Tax and Deferred Tax. Provision for current tax is made after taking into considerations benefits admissible under the provision of the Income - Tax Act 1961. Profit Computed after adjustment in accordance with the accounting treatment suggested in Income Computation & Disclosure Standards issued by the Central Board of Direct Taxes. Deferred Tax Assets & Liabilities are measured using the current tax rates. Deferred income tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent, there is a reasonable certainty that sufficient future taxable income will be available. Such deferred tax assets & other unrecognized deferred tax assets are re-assessed at each Balance Sheet date and the carrying value of the same are adjusted recognizing the change in the value of each such deferred tax assets.

### 2.13 CLAIMS BY/AGAINST THE COMPANY

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

### 2.14 RESEARCH & DEVELOPMENT EXPENSES

- (i) All revenue expenditures on Research & Development activities are accounted for under the separate accounting head.
- (ii) All capital expenditures on Research & Development activities are accounted for under the natural heads of Fixed Assets Account.

### 2.15 BORROWING COST

Borrowing cost attributable to the acquisition or construction of qualifying / eligible assets are capitalized as part of the cost of such assets. A qualifying / eligible asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense and are charged to revenue in the year in which they are incurred.

### 2.16 EARNING PER SHARE

In accordance with the Accounting Standard-20 (AS-20) "Earning Per Share" as notified by the Companies Accounting Standard (Rules) 2006, Basic & Diluted Earning Per Share is computed using the weighted average number of Shares outstanding during the period.

### 2.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In accordance with the Accounting Standard-29 (AS-29) as notified by the Companies Accounting Standard (Rules) 2006

- a) Provisions are made for the present obligations where amount can be estimated reliably, and
- b) Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company. Contingent assets are neither recognized nor disclosed in the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

## 3 SHARE CAPITAL

(Rs. in Lacs)

(i) Share Capital	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs.10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Redeemable Preference Shares of Rs.100/- each	5,00,000	500.00	5,00,000	500.00
		<u>2,000.00</u>		<u>2,000.00</u>
Issued, Subscribed & Paid up				
Equity Shares of Rs.10 each	1,24,50,000	1,245.00	1,24,50,000	1,245.00
<b>Total</b>	<u>1,24,50,000</u>	<u>1,245.00</u>	<u>1,24,50,000</u>	<u>1,245.00</u>

## (ii) Reconciliation of Number of Equity Shares

(Rs. in Lacs)

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

## (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. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

Name of the Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Uflex Ltd	58,70,000	47.15	58,70,000	47.15
Anshika Investments Pvt Ltd	12,52,630	10.06	12,52,630	10.06
<b>Total</b>	<u>71,22,630</u>	<u>57.21</u>	<u>71,22,630</u>	<u>57.21</u>

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

## 4 RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>A) General Reserves</b>		
<b>Opening Balance</b>	926.98	882.11
(+) Current Year Transfer	80.86	94.20
(-) Depreciation adjustment in terms of Schedule II of Companies Act, 2013	-	(49.33)
<b>Closing Balance</b>	<u>1,007.84</u>	<u>926.98</u>
<b>B) Surplus</b>		
<b>Opening Balance</b>	4,206.39	3,696.33
(+) Profit/(Loss) for the year	808.60	941.34
(+) (Short)/Excess Dividend & Corporate Dividend Tax	-	0.07
Appropriation of previous year		
<b>Appropriations</b>	-	
(-) Proposed Dividend	(311.25)	(280.13)
(-) Proposed Dividend Tax	(63.36)	(57.02)
(-) Transfer to Reserves	(80.86)	(94.20)
<b>Closing Balance</b>	<u>4,559.52</u>	<u>4,206.39</u>
<b>Total (A+B)</b>	<u>5,567.36</u>	<u>5,133.37</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs. in Lacs)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>5 DEFERRED GOVERNMENT GRANTS (To the extent pending apportionment to Statement of Profit &amp; Loss)</b>				
<b>Capital Subsidy on</b>				
a) Cold Storage	9.73		11.44	
b) Individually Quick Frozen and Air Dried Plant	56.10		60.48	
c) Plastic Crates	3.38		3.71	
d) Cold Storage (New)	94.70		100.58	
e) Freeze Drying Cabinet	74.48	238.39	37.50	213.71
<b>Less: Deferred Income Apportioned to Statement of Profit &amp; Loss</b>				
a) Cold Storage	1.71		1.71	
b) Individually Quick Frozen and Air Dried Plant	4.38		4.38	
c) Plastic Crates	0.33		0.33	
d) Cold Storage (New)	5.88		5.88	
e) Freeze Drying Cabinet	2.85	15.15	0.53	12.83
<b>Total</b>		<b>223.24</b>		<b>200.88</b>

**6 LONG TERM BORROWINGS**

**SECURED**

Term Loan From Banks	2,204.19		919.02	
Less :-Current Maturities of Long-Term Debt [Refer Note No.10(a)]	645.13	1,559.06	220.70	698.32
<b>Total</b>		<b>1,559.06</b>		<b>698.32</b>

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

(Rs. in Lacs)

Name of the Bank	Sanctioned Amount	O/S as at 31.03.2016	Current Portion	Long Repayment Terms Term
Canara Bank #	300.00 (300.00)	135.13 (175.83)	135.13 (40.70)	- Repayable in 28 Quarterly installments starting from July 2012, first 7 installments were of Rs.10.71 Lacs each & Balance are of Rs.10.17 Lacs each
Canara Bank	900.00 (900.00)	449.94 (629.94)	180.00 (180.00)	269.94 Repayable in 60 monthly installments of Rs.15 Lacs each starting from April 2014
Allahabad Bank	1,650.00 (1,650.00)	1,619.12 (113.25)	330.00 -	1,289.12 Repayable in 20 Quarterly installments of Rs.82.50 Lacs each starting from June 2016.
<b>Total</b>	<b>2,850.00</b>	<b>2,204.19</b>	<b>645.13</b>	<b>1,559.06</b>
Previous Year	(2,850.00)	(919.02)	(220.70)	(698.32)

Previous year figures have been given in brackets.

**Notes:**

These loans are secured on first *pari passu* charge basis (a) by way of hypothecation of movable fixed assets of the company and (b) by mortgage of immovable properties of the Company; situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderwala), Dehradun (Uttarakhand). These loans are also collaterally secured (a) by way of second *pari passu* charge on stocks & book debts of company and (b) by personal guarantee of one of the Director of the Company.

# Out of the total outstanding of Rs.135.13 Lacs, Rs.31.36 Lacs will be paid in quarterly installments and the balance amount of Rs. 103.77 Lacs will be adjusted from the Debt Service Reserve Account as stated in note no.19 of the Financial Statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

## 7 DEFERRED TAX LIABILITIES (NET)

In accordance with Accounting Standard-22(AS-22)“Accounting for Taxes on Income” as notified by the Companies Accounting Standard (Rules) 2006, the Cumulative Tax effects of significant timing differences, that resulted in Deferred Tax Asset and Liabilities and description of item thereof that creates these differences are as follows:

Particulars	(Rs. in Lacs)		
	Deferred Tax Assets/ (Liabilities) as at 31.03.2016	Current Year (Charge) /Credit	Deferred Tax Assets/ (Liabilities) as at 31.03.2015
<b>A. Deferred Tax Assets (Net)</b>			
Others	127.15	22.15	105.00
<b>Total (A)</b>	<u>127.15</u>	<u>22.15</u>	<u>105.00</u>
<b>B. Deferred Tax Liabilities (Net)</b>			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	882.81	258.51	624.30
<b>Total (B)</b>	<u>882.81</u>	<u>258.51</u>	<u>624.30</u>
<b>Net Deferred Tax Assets/(Liabilities) (A-B)</b>	<u>(755.66)</u>	<u>(236.36)</u>	<u>(519.30)</u>

(Rs. in Lacs)

Particulars	As at	As at
	31.03.2016	31.03.2015
<b>8 LONG TERM PROVISIONS</b>		
Provision for Leave Encashment	73.51	71.72
<b>Total</b>	<u>73.51</u>	<u>71.72</u>
<b>9 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Loan repayable on demand</b>		
From Canara Bank	1,548.38	1,545.20
From Allahabad Bank	248.38	-
<b>Total</b>	<u>1,796.76</u>	<u>1,545.20</u>

**Notes:**

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

## 10 OTHER CURRENT LIABILITIES

a) Current Maturities of Long-Term Debt (Refer Note No.6)	645.13	220.70
b) Interest Accrued but not due on borrowings	4.95	7.21
c) Unclaimed Dividend #	90.51	85.84
d) Security Deposit from Customers	5.40	4.90
e) Advance received from Customers	0.31	0.15
f) Statutory Liabilities	205.49	130.66
g) Other liabilities	13.83	14.69
h) Capital Creditors	29.54	9.71
<b>Total</b>	<u>995.16</u>	<u>473.86</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs. in Lacs)

Particulars	As at		As at	
	31.03.2016		31.03.2015	
<b>11 SHORT TERM PROVISIONS</b>				
<b>a) Provision for Employee Benefits</b>				
Gratuity	205.78		191.30	
Leave Encashment	8.34	214.12	7.79	199.09
<b>b) Others</b>				
Provision for Taxation (Net)	38.35		222.84	
Provision for Wealth Tax	-		0.42	
Proposed Dividend	311.25		280.13	
Proposed Dividend Distribution Tax	63.36	412.96	57.02	560.41
<b>Total</b>		<b>627.08</b>		<b>759.50</b>

**12 FIXED ASSETS**

(Rs. in Lacs)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		Cost As At 01-04-2015	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	Cost As At 31-03-2016	As At 01-04-2015	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2016	As At 31-03-2016	As At 31-03-2015
<b>A</b>	<b>TANGIBLE ASSETS</b>										
1	Freehold Land	382.45	-	-	382.45	-	-	-	-	382.45	382.45
2	Building										
	-Factory *	1,796.20	302.62	2.20	2,096.62	688.46	62.37	1.27	749.56	1,347.06	1,107.74
	-Administration	55.09	-	-	55.09	23.74	3.09	-	26.83	28.26	31.35
3	Plant & Equipment **	7,584.59	1,998.47	19.62	9,563.44	3,805.45	321.94	17.83	4,109.56	5,453.88	3,779.14
4	Furnitures & Fixtures	12.83	5.48	0.56	17.75	7.68	1.26	0.56	8.38	9.37	5.15
5	Vehicles	132.96	28.43	20.20	141.19	62.76	15.10	18.22	59.64	81.55	70.20
6	Office Equipments	53.13	15.63	3.06	65.70	38.97	7.93	2.99	43.91	21.79	14.16
7	Electrical Installation ***	253.01	134.58	0.91	386.68	150.80	12.96	0.89	162.87	223.81	102.21
	<b>SUB TOTAL (A)</b>	<b>10,270.26</b>	<b>2,485.21</b>	<b>46.55</b>	<b>12,708.92</b>	<b>4,777.86</b>	<b>424.65</b>	<b>41.76</b>	<b>5,160.75</b>	<b>7,548.17</b>	<b>5,492.40</b>
<b>B</b>	<b>INTANGIBLE ASSETS</b>										
	Software	31.26	1.23	-	32.49	23.00	6.38	-	29.38	3.11	8.26
	<b>SUB TOTAL (B)</b>	<b>31.26</b>	<b>1.23</b>	<b>-</b>	<b>32.49</b>	<b>23.00</b>	<b>6.38</b>	<b>-</b>	<b>29.38</b>	<b>3.11</b>	<b>8.26</b>
<b>C</b>	<b>CAPITAL WORK-IN-PROGRESS</b>									<b>17.15</b>	<b>236.34</b>
	<b>SUB TOTAL (C)</b>									<b>17.15</b>	<b>236.34</b>
	<b>TOTAL (A+B+C)</b>	<b>10,301.52</b>	<b>2,486.44</b>	<b>46.55</b>	<b>12,741.41</b>	<b>4,800.86</b>	<b>431.03</b>	<b>41.76</b>	<b>5,190.13</b>	<b>7,568.43</b>	<b>5,737.00</b>
	<b>PREVIOUS YEAR</b>	<b>9,573.19</b>	<b>775.27</b>	<b>46.94</b>	<b>10,301.52</b>	<b>4,407.38</b>	<b>438.48</b>	<b>45.00</b>	<b>4,800.86</b>	<b>5,737.00</b>	<b>5,233.02</b>

**Notes**

\* Additions include interest of Rs.9.43 Lacs capitalized as per Accounting Standard-16 "Borrowing Costs"

\*\* Additions include interest of Rs.96.16 Lacs capitalized as per Accounting Standard -16 "Borrowing Costs"

\*\*\* Additions include interest of Rs.1.38 Lacs capitalized as per Accounting Standard -16 "Borrowing Costs"



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>13 LONG TERM LOANS AND ADVANCES</b>		
Unsecured, Considered Good		
a) Capital Advances	77.06	469.92
b) Security Deposits	127.27	103.72
c) Advance Income Tax	68.40	68.40
d) Loan to Company #	-	782.70
Less :-Current Portion	-	417.35
e) Loans/Advances to Employees	2.61	3.03
<b>Total</b>	<b>275.34</b>	<b>1,010.42</b>

# Disclosure pursuant to Section 186(4) of the Companies Act,2013.

Name of the Company	Amount of Loan Given	Purpose of the Loan	Particulars
Afflatus Gravures Private Limited	150 Lacs	General Corporate Purposes	The loan was repayable on or before 31st March,2016 including interest @ 14 % per annum.

**14 OTHER NON-CURRENT ASSETS**

Unsecured, Considered Good

a) DEBT Service Reserve Account	-	103.77
<b>Total</b>	<b>-</b>	<b>103.77</b>

**15 INVENTORIES**

a) Raw Material	55.63	60.75
b) Work-in-progress	349.65	325.01
c) Finished Goods	1,260.80	1,074.72
d) Stores & Spares	100.03	114.23
e) Packing Material	39.22	47.50
<b>Total</b>	<b>1,805.33</b>	<b>1,622.21</b>

Inventories are carried at the lower of cost or net realisable value.

**16 TRADE RECEIVABLES**

a) Outstanding for Less than Six Months		
Unsecured, Considered Good	1,864.50	1,226.03
b) Outstanding for More than Six Months		
Unsecured and considered good	1.81	0.78
Unsecured, Considered Doubtful	4.43	235.18
	1,870.74	1,461.99
Less: Provision for Doubtful Receivables	4.43	235.18
<b>Total</b>	<b>1,866.31</b>	<b>1,226.81</b>

**17 CASH & BANK BALANCES**

a) Cash and Cash Equivalents		
i) Balances with Banks ( in Current accounts)	365.43	170.20
ii) Bank deposits with maturity before 12 months	970.00	-
iii) Cash on Hand	15.75	16.63
b) Other Bank Balances		
i) Bank deposits with maturity after 12 months	-	250.00
ii) Earmarked Balances		
- Dividend Account	90.51	85.84
iii) Margin Money/Guarantees	11.28	16.61
<b>Total</b>	<b>1,452.97</b>	<b>539.28</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, Considered Good		
a) Security Deposits	51.95	51.63
b) Minimum Alternative Tax (MAT) Credit Entitlement	45.87	-
c) Advances Recoverable in Cash or In kind or for Value to be Received	610.65	354.32
d) Balances with Excise Authorities	64.25	157.84
e) Current Portion of Loan	-	417.35
f) Loans/Advances to Employees	12.45	14.96
g) Loans to Officers of the company	-	0.88
<b>Total</b>	<u>785.17</u>	<u>996.98</u>
<b>19 OTHER CURRENT ASSETS</b>		
a) Interest Recoverable		
i) On Fixed Deposits with Banks	16.84	5.62
ii) Others	7.11	10.62
Unsecured, Considered Good	23.95	16.24
b) DEBT Service Reserve Account #	103.77	-
<b>Total</b>	<u>127.72</u>	<u>16.24</u>

# Earmarked against the repayment of loan of Rs.300 Lacs taken from Canara Bank; to be adjusted against the term loan principal amount when the balance due is reduced to the earmarked amount.

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>20 REVENUE FROM OPERATIONS</b>		
a) Sale of Products	7,916.63	7,133.11
b) Other Operating Revenues		
i) Export Incentive	295.22	50.53
ii) Transport Assistance Scheme	12.63	32.03
iii) Deferred Income on Capital Grant	15.15	12.83
iv) Refund of Service Tax	15.20	-
v) Sale of Miscellaneous Items	31.59	16.70
<b>Total</b>	<u>8,286.42</u>	<u>7,245.20</u>
<b>Product-wise Details of Revenue from sale of Manufactured Products</b>		
i) Freeze Dried Mushroom, Herbs, Vegetables & Fruits	4,698.42	3,713.33
ii) Processed Food Viz Mushroom Fresh & Processed (Including Canned)	1,497.13	1,375.96
iii) Frozen / Individually Quick Frozen Fruits, Vegetables, Mushroom & Herbs	1,408.23	1,687.47
iv) Air Dried Fruits, Vegetables, Mushroom & Herbs	311.41	321.42
v) Others	1.44	34.93
<b>Total Revenue from Sale of Products</b>	<u>7,916.63</u>	<u>7,133.11</u>
<b>21 OTHER INCOME</b>		
a) Interest Income		
From Banks	16.37	54.95
From Others	104.40	137.08
b) Exchange Rate Fluctuation (Net)	118.04	39.43
c) Miscellaneous Income	0.60	0.09
d) Profit on Sale of Fixed Assets (Net)	-	4.39
e) Sundry Balances Written Back	2.89	9.94
<b>Total</b>	<u>242.30</u>	<u>245.88</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>22 COST OF MATERIAL CONSUMED</b>		
Opening Stock	60.75	26.14
Add: Purchases	1,663.22	1,404.51
	<u>1,723.97</u>	<u>1,430.65</u>
Less: Closing Stock	55.63	60.75
<b>Raw Material consumed</b>	<u>1,668.34</u>	<u>1,369.90</u>
<b>Product wise Details of Cost of Material consumed</b>		
Straw	246.52	281.09
Soyabean Meal	49.31	51.20
Chicken Manure	62.70	62.80
Herbs	692.48	751.67
Spawn	16.89	35.43
Green Pepper Corn Brined	21.49	54.44
Peas Frozen	414.42	-
White Onion	46.34	-
Other Raw Material	118.19	133.27
<b>Total</b>	<u>1,668.34</u>	<u>1,369.90</u>
<b>23 (INCREASE)/DECREASE IN FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<b>Closing Stock</b>		
Finished Stock	1,260.80	1,074.72
Work-In-Progress	349.65	325.01
	<u>1,610.45</u>	<u>1,399.73</u>
<b>Opening Stock</b>		
Finished Stock	1,074.72	549.65
Work-In-Progress	325.01	350.84
	<u>1,399.73</u>	<u>900.49</u>
<b>Total</b>	<u>(210.72)</u>	<u>(499.24)</u>
<b>(a) Product wise Details of Opening &amp; Closing Finished Goods</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>Closing Stock</b>	<b>Opening Stock</b>
i) Freeze Dried Mushroom Herbs, Vegetables & Fruits	609.10	585.12
ii) Processed Food Viz Mushroom Fresh & Processed (Including Canned)	61.46	63.05
iii) Frozen / Individually Quick Frozen Fruits, Vegetables, Mushroom & Herbs	283.24	206.31
iv) Air Dried Fruits, Vegetables, Mushroom & Herbs	307.00	220.24
<b>Total</b>	<u>1,260.80</u>	<u>1,074.72</u>
<b>(b) Product wise Details of Opening &amp; Closing Work-in-Progress</b>		
i) Freeze Dried Mushroom Herbs, Vegetables & Fruits	4.28	4.46
ii) Processed Food Viz Mushroom Fresh & Processed (Including Canned)	166.92	154.98
iii) Frozen & Fresh Herbs	178.45	165.57
<b>Total</b>	<u>349.65</u>	<u>325.01</u>
<b>24 EMPLOYEES BENEFIT EXPENSES</b>		
a) Salaries, Wages, Benefits & Amenities	1,279.88	1,085.53
b) Contribution to Provident Fund	62.39	61.45
c) Gratuity Fund Contribution (Refer Note No. 29)	40.68	64.84
d) Employees Welfare Expenses	36.63	34.55
<b>Total</b>	<u>1,419.58</u>	<u>1,246.37</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>25 FINANCE COST</b>		
Interest		
i) On Secured Loans	132.05	107.81
ii) On Working Capital	75.58	53.16
iii) On Shortfall in payment of Advance Tax	30.52	3.53
Discounting & Bank Charges	127.42	121.78
<b>Total</b>	<u>365.57</u>	<u>286.28</u>
<b>26 MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	1,130.64	1,058.49
Repair & Maintenance - Machineries	144.59	140.83
Stores, Spares, Tools, Jigs & Dies Consumed	109.50	106.96
Labour Charges	85.17	40.71
Sorting & Picking Charges	248.55	245.01
Tractor Hire & Shifting Charges	159.01	161.79
Others Manufacturing Expenses	34.71	31.63
<b>Total</b>	<u>1,912.17</u>	<u>1,785.42</u>
<b>27 ADMINISTRATION &amp; SELLING EXPENSES</b>		
Power & Fuel (Cold Storage)	109.36	104.64
Insurance Charges	50.78	38.68
Postage & Telephone Expenses	25.89	21.53
Vehicle Hire, Running & Maintenance Expenses	36.44	29.42
Conveyance & Travelling Expenses	183.51	148.17
Repair & Maintenance - Building	22.20	23.47
Repair & Maintenance - Others	25.64	25.63
Legal & Professional Charges	100.20	59.94
General Expenses	126.09	96.67
CSR Expenditure	19.58	-
Charity & Donation	1.80	0.06
Rates & Taxes	2.49	1.94
Bad Debts	-	23.08
Loss on Sale of Fixed Assets (Net)	0.71	-
Sundry Balance written off	48.26	3.24
Commission on Sale	17.80	20.92
Rebate & Discount	0.67	1.81
Sample Testing Charges	32.79	16.45
Packing & Forwarding Charges	319.55	329.92
Freight Outward	540.57	526.78
<b>Total</b>	<u>1,664.33</u>	<u>1,472.35</u>
<b>28 EARNINGS PER SHARE (EPS)</b>		
a) Profit for the year (Rs. In Lacs)	808.60	941.34
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.)	6.49	7.56



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**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 Accounting Standards-15(AS-15) "Employees Benefits" issued by The Institute of Chartered Accountants of India and as notified by Companies (Accounting Standards) Rules, 2006 is as under:

Particulars	(Rs. in Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
<b>a) Reconciliation of opening and closing balances of obligation</b>				
Obligation at beginning of the year	393.81	327.51	79.51	70.97
Current Service Cost	24.05	22.52	9.04	17.89
Interest Cost	31.50	29.80	6.37	6.46
Actuarial (gain) /loss	3.00	28.37	3.99	(0.70)
Less: Benefits paid	12.82	14.39	17.06	15.11
<b>Obligation at the end of the year</b>	<b>439.54</b>	<b>393.81</b>	<b>81.85</b>	<b>79.51</b>
<b>b) Reconciliation of opening and closing balances of fair value assets</b>				
Fair value of plan assets at beginning of the year	202.51	176.58	-	-
Employer contribution	26.19	24.47	-	-
Less: Benefits Paid	12.82	14.39	-	-
Add: Expected return on plan assets	16.20	15.45	-	-
Add: Actuarial Gain /(Loss) on plan assets	1.68	0.40	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>233.76</b>	<b>202.51</b>	<b>-</b>	<b>-</b>
<b>c) Amount Recognized in Balance Sheet</b>				
Present value of obligation	439.54	393.81	81.85	79.51
Less: Fair value of plan assets	233.76	202.51	-	-
<b>Amount recognized in Balance Sheet</b>	<b>205.78</b>	<b>191.30</b>	<b>81.85</b>	<b>79.51</b>
<b>d) Gratuity &amp; other Post Employment benefitcost for the period</b>				
Current Service Cost	24.05	22.52	9.04	17.89
Interest Cost	31.50	29.80	6.37	6.46
Expected return on plan assets	(16.20)	(15.45)	-	-
Actuarial (gain) /loss	1.32	27.97	3.99	(0.70)
<b>Net amount recognized in Statement of Profit &amp; Loss</b>	<b>40.67</b>	<b>64.84</b>	<b>19.40</b>	<b>23.65</b>
<b>e) Principal actuarial assumption at the Balance Sheet date:</b>				
Interest Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	6.00%	6.00%	6.00%	6.00%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**
**30 SEGMENT DISCLOSURE**

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

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Domestic Revenue #	3,005.86	1,845.32
<b>Export Revenue:</b>		
USA	367.95	460.37
Europe	4,741.38	4,874.70
Asia	127.99	19.66
Others	0.26	0.29
<b>Total</b>	<b>8,243.44</b>	<b>7,200.34</b>

# Includes sales of Miscellaneous Items amounting to Rs.31.59 Lacs ( previous year Rs.16.70 Lacs) shown under - Note No. -20 (b)(v)

**31 PAYMENT TO AUDITORS**

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
a) Statutory Audit	8.50	7.00
b) Tax Audit	2.80	2.40
c) Certification & other services	4.11	3.35
d) For Reimbursement of Expenses	1.09	0.65
<b>Total</b>	<b>16.50</b>	<b>13.40</b>

**32 CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>a) Contingent Liabilities</b>		
i) Claims against the company not acknowledged as debt:-		
• Demands raised by the Income Tax department , which are under appeal	102.25	21.57
• Show Cause notice received for the differential excise duty & service tax from Customs & Central Excise Department not accepted by the company and are contested /replied (If liability arises it would be paid along with Interest & penalty.)	-	81.46
• Demand raised by Customs & Central Excise Department which are contested by the company (Including interest & Net of Demand Deposits).	758.50	860.75
ii) Guarantees Issued by the Bank( Net of Margin)	61.05	595.58
iii) Import Duty Obligations on Outstanding Export Commitments under EPCG	461.33	698.61
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	11.48
<b>Total (a)</b>	<b>1,422.41</b>	<b>1,033.54</b>
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for in the Books of Accounts.	123.79	323.45
<b>Total (b)</b>	<b>123.79</b>	<b>784.39</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**33 RELATED PARTY TRANSACTION**

Following disclosures are made, as per the definition of Related Parties defined in Accounting Standard–18 " Related Party Disclosures and Section 2(76) of the Companies Act,2013.

**(A) List of Related Parties**

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

Uflex Limited

**ii) Individual owning indirect interest in voting power of the company:**

Shri.Ashok Chaturvedi ,Chairman (and his relatives)

**iii) Key Management Personnel:**

- 1) Shri S.K. Kaushik, Whole-time Director w.e.f. 1st March,2016 (and his relatives)
- 2) Shri Bhagwati Prashad Sharma, Manager (and his relatives)
- 3) Shri Rajesh Dheer, Company Secretary ( and his relatives)
- 4) Shri Naval Duseja ,Chief Financial Officer (and his relatives)

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

- 1) UTech Developers Ltd 2) AKC Retailers Pvt. Ltd. 3) Flex International Pvt. Ltd. 4). A.R. Leasing Pvt. Ltd. 5) Anshika Investments Pvt. Ltd. 6) Anant Overseas Pvt. Ltd. 7) Apoorva Extrusion Pvt. Ltd. 8) Anshika Consultants Pvt. Ltd. 9) Cinflex Infotech Pvt. Ltd 10 ) A .R. Infrastructures & Projects Pvt. Ltd 11) Kaya Kalpa Medical Services Pvt. Ltd. 12) AC Infrastructures Pvt. Ltd. 13) Ultimate Infratech Pvt. Ltd. 14) SD Buildwell Pvt. Ltd. 15) Niksar Finvest Pvt. Ltd.16) Refex Energy (Rajasthan) Pvt. Ltd.17). USC Holograms Pvt. Ltd. 18) Ganadhipati Infraproject Pvt. Ltd. 19) Nirman Overseas Pvt. Ltd. 20) Sungrace Products (India) Pvt.Ltd. 21) A.R. Airways Pvt. Ltd. 22) Virgin Infrastructures Pvt. Ltd. 23) Modern Info Technology Pvt. Ltd. 24) Liberal Advisory Services Pvt. Ltd. 25) Saga Realtors Pvt. Ltd. 26) Club One Airways Pvt. Ltd. 27) Flex Industries Pvt. Ltd. 28) Naveli Collections Pvt. Ltd 29) UFLEX Europe Ltd. 30) Flex Americas S.A.de C.V.Maxic 31) Flex P. Films Egypt S.A.E. 32) Flex Films Europa Sp. Z.o.o., Poland 33) Flex Films (USA) Inc. 34) Flex P. Films (Brasil) Comercio De Films Plasticos LTDA 35) UFlex Packaging Inc USA 36) UPET Holdings Limited, Mauritius 37) UPET (Singapore) Pte Ltd 38) First Flexipack Corporation 39) Flex Middle East FZE 40) Ultimate Flexipack Ltd. 41) Ultimate Prepress LLP 42) Gangotri Management Pvt. Ltd. 43) Manpasand Marketing Pvt. Ltd. 44) Magic Consultants Pvt. Ltd. 45) A.L. Consultants Pvt. Ltd. 46) Naru Investments Pvt. Ltd. 47) Sambhav Finlease Pvt. Ltd. 48) Mahajan Polybag Pvt. Ltd. 49) Moda Eleganza Pvt. Ltd 50) Dedicated Investments Pvt. Ltd. 51) Bundelkhand Projects Pvt. Ltd. 52) Ultra America Inc.

**(B) Transactions with Related Parties**

**(Rs. in Lacs)**

Nature of Transaction	Enterprise for which Reporting Enterprise is an Associate	Individual owning indirect interest in voting power of the company and his relatives	Key Management Personnel & their relatives	Enterprises as referred to in A(iv)
i) Purchase of Packing Material	39.55 (25.35)	-	-	-
ii) Re-imburement for Purchase of Fixed Assets	-	-	-	-
	(3.84)	-	-	-
iii) Dividend Paid	132.08 (132.08)	1.18 (1.18)	0.002 (0.002)	33.91 (33.91)
iv) Reimbursement of Expenses	5.94 (1.08)	-	1.80 (1.80)	-
v) Remuneration	-	1.75 (0.95)	53.85 (46.21)	-
<b>Balance Outstanding at the end of the year (Credit)</b>	-	-	-	-
	(6.82)	-	(0.88)	-
Outstanding Guarantee against Term Loans and working capital facilities		4,000.95		
			(2,464.22)	

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>34 Value of imports calculated on CIF basis by the company during the financial Year</b>		
i) Raw Materials	55.54	43.71
ii) Components & Spare Parts	13.11	23.10
iii) Capital Goods	<u>1,160.42</u>	<u>44.26</u>
<b>Total</b>	<u><u>1,229.07</u></u>	<u><u>111.07</u></u>

<b>35 Expenditure in Foreign Currency During the year</b>		
i) Tours & Travelling	26.74	23.11
ii) Sample Testing Charges	28.88	13.23
iii) Commission on sale	17.80	20.92
iv) Lab Expenses / Certification Charges	<u>1.68</u>	<u>0.09</u>
<b>Total</b>	<u><u>75.10</u></u>	<u><u>57.35</u></u>

Particulars	(Rs. in Lacs)			
	Current Year		Previous Year	
	Amount	%	Amount	%
<b>i) Raw Material Consumed</b>				
Imported	35.40	2.12	33.94	2.48
Indigenous	<u>1,632.94</u>	<u>97.88</u>	<u>1,335.96</u>	<u>97.52</u>
<b>Total</b>	<u><u>1,668.34</u></u>	<u><u>100.00</u></u>	<u><u>1,369.90</u></u>	<u><u>100.00</u></u>
<b>ii) Stores, spares, Tools, Jigs and Dies consumed #</b>				
Imported	29.34	11.55	17.39	7.02
Indigenous	<u>224.75</u>	<u>88.45</u>	<u>230.40</u>	<u>92.98</u>
<b>Total</b>	<u><u>254.09</u></u>	<u><u>100.00</u></u>	<u><u>247.79</u></u>	<u><u>100.00</u></u>

# Includes Spares of Rs.144.59 Lacs ( previous year Rs. 140.83 Lacs ) charged to Repair & Maintenance -Machineries.

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>37 FOB value of Manufactured Goods Exported</b>		
Exports of Manufactured Goods Calculated on FOB basis	5,051.62	5,071.32
<b>Total</b>	<u><u>5,051.62</u></u>	<u><u>5,071.32</u></u>

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>38 Information in respect of CSR Expenditure required to be spent by the Company</b>		
i) Gross Amount required to be spent by the Company	23.57	18.38
ii) Amount spent during the year on :		
a) Construction / acquisition of any asset	-	-
b) On purpose other than (i) above	<u>19.58</u>	-
iii) Amount payable as at Year End	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

39. In the opinion of the board and to the best of their knowledge, value of realisation of assets, other than fixed assets in the ordinary course of the business, would not be less than the amount at which they are stated in the balance sheet.
- 40 Necessary disclosures under Micro, Small and Medium Enterprises Development Act 2006, can only be considered once the relevant information to identify the suppliers who are covered under the said Act are received from such parties.
- 41 Figures have been rounded off to the nearest thousands.
- 42 These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act 2013. Previous Year figures have been recasted/ restated to confirm to the classification of the Current Period.
- 43 Due to out break of Fire in the Factory premises of the Company situated at “Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun “ on 24th April,2016; Fixed Assets and Stock of the Company estimating to be of Rs. 50 Lacs & Rs. 250 Lacs respectively were destroyed, which is fully covered under the Insurance Policies undertaken by the Company. The Company has already filed the claim with the Insurance Company.
- 44 The Company is now availing benefits under the EPCG Scheme of the Foreign Trade Policy 2015-20; after exit from the EOU Scheme as per the Final Debonding Letter received on 28th August, 2015.

Note : Signatories to Notes 1 to 44

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For and on behalf of the Board of Directors

**Ashok Chaturvedi**

*Chairman*

DIN -00023452

**S.K. Kaushik**

*Whole-Time Director*

DIN -00027035

**A.R. Rao**

*Chief Executive Officer*

**For Jain Singhal & Associates**

*Chartered Accountants*

Firm Registration No.005839N

**M.M. Varshney**

*Sr. Vice president*

**Rajesh Dheer**

*Company Secretary*

**Naval Duseja**

*Chief Financial Officer*

**Bhawna Khanna**

*Partner*

Membership No.502428

Place : NOIDA

Dated : 26<sup>th</sup> May, 2016



# FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

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

## ATTENDANCE SLIP

26<sup>th</sup> Annual General Meeting

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

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company to be held on **Saturday, 20<sup>th</sup> August, 2016 at 3.00 P.M.** at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, (Uttarakhand) and at any adjournment thereof.

Member's Name : .....

Proxy's Name : .....

Member's/ Proxy's Signature

Note : 1. Please fill this attendance slip and hand it over at the entrance of the Hall.

2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .

3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.

Form No. MGT-11



# FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

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

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered Address : .....

E.Mail Id : ..... Folio No./Client Id : ..... DP ID.....

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

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

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

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

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

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

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

my/our Proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on **Saturday, 20<sup>th</sup> August, 2016 at 3.00 P.M.** at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, (Uttarakhand) and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sl. No.	Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1	To adopt the Audited Financial Statements for the year ended 31st March, 2016		
2	To declare the dividend		
3	To appoint a Director in place of Shri Ashok Chaturvedi who retires by rotation and being eligible offers himself for re-appointment		
4	Ratification of Appointment of Statutory Auditors		
<b>Special Business</b>			
5	Appointment of Mr. P.N. Sharma as Independent Director		
6	Appointment of Smt. Shefali Dubey as Independent Director		

Signed this.....day of.....2016

Affix Revenue stamp

Signature of Proxy holder(s)

Signature of the Shareholder

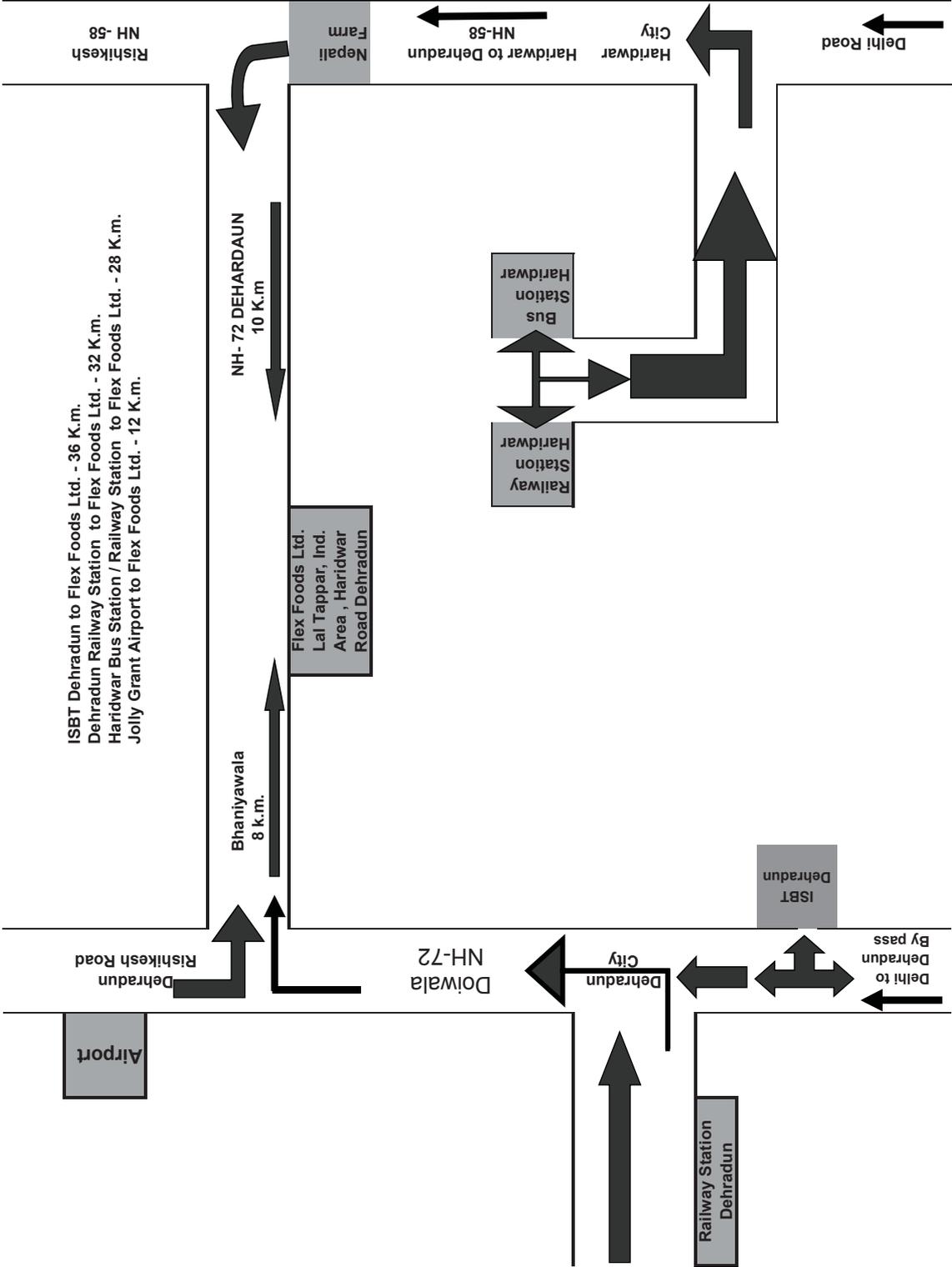
**Note:** 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 26<sup>th</sup> Annual General Meeting of the Company.

3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of Member(s) in above box before submission.





ISBT Dehradun to Flex Foods Ltd. - 36 K.m.  
 Dehradun Railway Station to Flex Foods Ltd. - 32 K.m.  
 Haridwar Bus Station / Railway Station to Flex Foods Ltd. - 28 K.m.  
 Jolly Grant Airport to Flex Foods Ltd. - 12 K.m.

NH-72 DEHARDAUN  
 10 K.m

Bhaniyawala  
 8 k.m.

Flex Foods Ltd.  
 Lal Tappar, Ind.  
 Area , Haridwar  
 Road Dehradun

Rishikesh  
 NH -58

Haridwar to Dehradun  
 NH-58

Railway  
 Station  
 Haridwar

Bus  
 Station  
 Haridwar

ISBT  
 Dehradun

Dehradun  
 Rishikesh Road

Doiwala  
 NH-72

Dehradun  
 City

Dehri to  
 Dehradun  
 By pass

Airport

Railway Station  
 Dehradun

