

TWENTY SEVENTH ANNUAL REPORT 2016-17



FLEX FOODS LIMITED



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

TWENTY SEVENTH ANNUAL REPORT 2016-2017

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

P.N. SHARMA

SHEFALI DUBEY (Upto 21.02.2017)

COMPANY SECRETARY

RAJESH DHEER

AUDITORS

Statutory Auditor

JAIN SINGHAL & ASSOCIATES, LLP
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 27th Annual General Meeting of the Members of Flex Foods Limited will be held on Saturday, the 12th day of August, 2017 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 consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and the Auditors thereon; and
2. To declare the dividend for the year 2016-2017 on the equity shares of the Company.
3. To appoint a Director in place of Shri Ravinder Kumar Jain (DIN: 00024692), who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. MJMJ & Associates, LLP, Chartered Accountants (Firm Registration No. 027706N/C400013), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Jain Singhal & Associates, LLP., Chartered Accountants (Firm Registration No. 005839N/N500066), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 32nd Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

By Order of the Board

Rajesh Dheer
Company Secretary
FCS No. 3060

Place : NOIDA
Dated : 29th May, 2017

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 05.08.2017 to 12.08.2017 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. 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.
4. 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. 11,49,518/- (Rupees eleven lacs forty nine thousand five hundred eighteen only) being the unpaid and unclaimed dividend amount pertaining to dividend for the year, 2008-09 to the Investor Education and Protection Fund of the Central Government.
5. 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.
6. 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.

7. Electronic copy of the Annual Report of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
8. The Company has paid the Annual Listing Fees for the year 2017-2018 to the BSE Limited on which the Company's Securities are presently listed.
9. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority. As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 10th December, 2016 informing for Transfer of such Shares to IEPF Account. As and when the same will be notified by the Authority, the shares will be transferred / credited in the Demat Account of Authority.
10. In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Jain Singhal & Associates LLP, Chartered Accountants, Statutory Auditors of

the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/C400013) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s MJMJ & Associates LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s MJMJ & Associates LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

11. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).
- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- 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 **09.08. 2017 (9:00 AM)** and ends on **11.08.2017 (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 **05.08.2017** 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.
- 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 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:

- 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the**

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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. • 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

**instructions as prompted by the mobile app while voting on your mobile.**

- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
13. 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. **05.08.2017**.
14. 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.
15. Shri Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
16. 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.
17. 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.
18. The Results along with the Scrutinizer’s Report shall be placed on the Company’s website www.flexfoodsltd.com and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.
19. All documents referred to in the Accompanying Notice 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.

By Order of the Board

Rajesh Dheer

Company Secretary

FCS No. 3060

Place : NOIDA

Dated : 29th May, 2017

Regd. Office:

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



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

(Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Shri Ravinder Kumar Jain (DIN: 00024692)
Date of Birth	24.09.1954
Date of Appointment	11.08.2000
Experience in specific Functional areas	A Chartered Accountant having more than 37 years of experience particularly in the field of Finance, Taxation and Corporate Matters. Associated with Uflex group almost since inception and as such is quite familiar with the Company's activities.
Qualification	FCA
Directorship in other Public Limited Companies/excluding private companies which are subsidiary of public company	NIL.
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	<p>Audit Committee – Flex Foods Ltd.</p> <p>Nomination and Remuneration Committee – Flex Foods Ltd.</p> <p>Shareholders' Relationship Committee – Flex Foods Ltd.</p> <p>Corporate Social Responsibility Committee – Flex Foods Limited</p>

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 Seventh Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS :

The summarized financial results for the year ended 31st March, 2017 and for the previous year ended 31st March, 2016 are as follows:

	[Rs. in Lacs]	
	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue from Operations	8517.25	8268.62
Other Income	186.93	242.30
Total Revenue	8704.18	8510.92
Profit before Finance Cost, Depreciation & Tax	2091.30	2087.13
Finance Cost	482.88	365.57
Depreciation	486.27	431.03
Profit before Tax	1122.15	1290.53
Less : Tax Expenses	337.61	474.02
Profit for the year	784.54	816.51

During the year under review, your Company achieved total revenue and net profit of Rs 8704.18 Lacs and Rs 784.54 Lacs respectively as against total revenue and Net Profit of Rs. 8510.92 Lacs and Rs 816.51 Lacs respectively during the previous financial year ended 31st March, 2016.

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

TRANSFER OF UNCLAIMED DIVIDEND :

An amount of Rs 1149518/- (Rupees Eleven Lacs Forty Nine Thousand Five Hundred Eighteen only) 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, 2017 after considering business exigencies.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 05.08.2017. 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 31st March, 2017 was Rs.12.45 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31st March, 2017 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Mr. Ashok Chaturvedi - 7610 Equity shares

FIXED DEPOSITS

The Company neither had any fixed deposits outstanding as at 31st March 2017 nor any fresh/renewal of deposits were accepted during the financial year 2016-17. There were no unclaimed deposits as at March 31, 2017.

DIRECTORS

During the year under review Mrs. Shefali Dubey resigned from the Board of Directors due to her personal reason w.e.f. 21.02.2017. The Board of Directors placed on record their appreciations for the contribution made by Mrs. Shefali Dubey during her tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. R.K. Jain (DIN:00024692) of the Company retire by rotation and being eligible, offers himself for reappointment. The brief Resume and other details as required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 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 Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Familiarization Programme to Independent Directors of the Company are put up on the website of the Company at the link <http://www.flexfoodsltd.com/pdf/FAMILIRISATION%20PROGRAM%20FORIDs.pdf>

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the Annual Financial Statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Company has selected such accounting policies and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

STATUTORY AUDIT & AUDITORS

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Jain Singhal & Associates LLP, Chartered Accountants (Firm Registration No. 005639N/N500066), New Delhi as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 29th May, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of MJMJ & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company by the Members at the 27th Annual General Meeting of the Company for an initial term of five years. Accordingly, a resolution, proposing appointment of MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/C400013), as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 27th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Report given by M/s Jain Singhal & Associates LLP, Chartered Accountants (Firm Registration No. 005839N/N500066), Statutory Auditors on the financial statement of the Company for the year 2016-17 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act. M/s. Jain Singhal & Associates LLP, over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigour and quality in their audit. The Board place on record its appreciation for the services rendered by M/s. Jain Singhal & Associates LLP, as the Statutory Auditors of the Company.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2017 are self-explanatory and therefore do not call for any further comments.

Internal Auditors

The Board of Directors of your Company has re-appointed M/s. Vijay Sehgal & Co., Chartered Accountants, New Delhi (Firm Registration No.000374N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2017-2018.

Secretarial Auditors

The Board had appointed M/s Mahesh Gupta & Co., Practicing Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. 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/CSRPolicy.pdf>.

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 with the Stock Exchanges.

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

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

The details forming Part of the 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, M. G.N. Gupta, Mrs. Anupam Ahuja, Mr. P.N. Sharma 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 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.

[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>

(v) Particulars of Loans, Guarantees and Investments

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

BOARD EVALUATION :

Pursuant to the Provisions of the Companies Act, 2013 and under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance and 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 2016-2017 and hence no complaint is outstanding as on 31.03.2017 for redressal.

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

WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT :

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2017 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 : 29th.May, 2017



ANNEXURE - A
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable as the Company did not issue any securities during the financial year under review.**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not 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 identified and informed the following laws as being specifically applicable to the company:
 1. Food Safety and 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
- (ii) The Listing Agreement entered into by the company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

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

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates issued by the Departmental Heads of the Company taken on record by the Board of Directors at their meeting(s) and reports of Internal Auditor of the Company, 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**

Mahesh Kumar Gupta
Prop.

**Place: Delhi
Dated: 29.05.2017**

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.

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.

**Place: Delhi
Dated: 29.05.2017**

FCS No.: 2870
C P No.: 1999



ANNEXURE - B

CSR REPORT

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the Provisions of Companies Act, 2013 and the same is placed on the Company's website www.flexfoodsltd.com and the weblink for the same is http://www.flexfoodsltd.com/PDF/Corporate-Social-Responsibility-Policy/CSRPolicy.pdf
2.	The Composition of the CSR Committee	Mr. 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. 1381.36 Lacs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 27.63 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:	Spent Rs. 41.85 Lacs

CSR ACTIVITIES AT FLEX FOODS LIMITED FOR FY 2016-17

S. No	CSR project or activity identified	Sector in which the Project or Program is covered	Project or programme geography 1) Local area or other 2) Specify the State and district where Project or Program was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Project or Program Sub-heads 1) Direct Expenditure on Project or Program 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementation Agency
1	Towards Development of a Football Ground in Noida	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	District: Gautam Buddha Nagar; Noida	30 Lakh	Direct Expenditure: Rs. 30,00,000/-	Rs. 30,00,000/-	STAIRS - A registered NGO
2	Ecosystem Restoration through Community Action	Companies Act 2013; Section 135, Schedule VII, item iv Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water	Location : Noida (2 Villages)	20 Lakh	(1) Direct Expenditure: Rs. 10,97,590/- (2) Overheads: Rs. 87,807/-	Rs. 11,85,397/-	FIINOVAION and AROH FOUNDATION - registered organizations
			TOTAL	Rs. 50,00,000		Rs. 41,85,397	

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

Place : Noida
Dated : 29th May, 2017

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, the Company submits the Report on Corporate Governance followed by the Company.

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

(a) Composition of the Board (As on March 31, 2017)

The Board of Directors of the Company comprises of Eight Directors with one executive director and Five 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 Independent Directors of the Company serve as an Independent Director in more than Seven listed Companies and where any Independent Director is serving as a Whole-time Director in any listed company, such Director is not serving as an Independent Director in more than three listed Companies. All the Directors have made disclosures regarding their directorship and memberships on various Committees across all Companies in which they are directors and/or members.

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. P.N. Sharma	00023625	Director	Independent, Non-executive
Mr R.K. Jain	00024692	Director	Non-executive
Mr. S.K. Kaushik	00027035	Whole-time Director	Executive
Mrs. Shefali Dubey*	07553018	Director	Independent, Non-executive

*Mrs. Shefali Dubey who was appointed as Director on 27th June, 2016 has resigned from the Board w.e.f 21.02.2017

(b) Board Meetings and attendance record of each Director

Five Board Meetings were held during the financial year 2016-2017. The dates on which the meetings were held are, 26th May, 2016, 24th June, 2016 16th August, 2016, 24th November, 2016 and 10th February, 2017. 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	Nil
Mr. S.K. Kaushik	5	Yes	2	1 (As Chairman)
Mr. T.N. Pandey	5	Yes	1	1 (As Chairman)
Mr. G.N. Gupta	5	Yes	3	1 (As Chairman)
Mr. R.K. Jain	5	No	--	Nil
Mr. M.G. Gupta	5	Yes	3	4 (Including 1 as Chairman)
Mrs. Anupam Ahuja	2	No	--	--
Sh. P. N. Sharma	4	Yes	3	3 (Including 1 as Chairman)
Mrs. Shefali Dubey\$	Nil	No	--	--

The Directorship held by the Directors as mentioned above do not include Directorship in Foreign Companies and Flex Foods Limited.

@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.

\$ Mrs. Shefali Dubey who was appointed as Director on 27th June, 2016 has resigned from the Board w.e.f 21.02.2017

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

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

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

As on 31st March, 2017, none of the Directors of the Company held shares or convertible instruments of the Company except Mr. Ashok Chaturvedi, Director who holds 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 to be placed before the Board of Directors as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

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

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

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

(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. The terms and conditions of appointment of Independent Directors are available on the website of the Company [www.flexfoodsltd.com \(https://www.flexfoodsltd.com/pdf/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Directors.pdf\)](https://www.flexfoodsltd.com/pdf/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Directors.pdf).

The Independent Directors have been appointed for a fixed tenure of five years (except Mr. P.N. Sharma, Director who has been appointed for three years) from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Annual General Meetings..

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 Conduct 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 20th March, 2017 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 Independent Directors

The Independent directors of Flex Foods Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with Management expertise and wide range of experience. The Independent Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. Independent Directors are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.flexfoodsltd.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company,

global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

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

3. Audit Committee

Presently, the Audit Committee comprises of Six Member Directors viz. Mr. T.N. Pandey, Mr. G.N. Gupta, Mr. M.G. Gupta, Mrs. Anupam Ahuja, Mr. P.N. Sharma 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 Independent Directors except Mr. R.K. Jain who is Non-executive. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which include the following:

Role of the Audit Committee

- (1) Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) Recommending for appointment, remuneration and terms of appointment of Auditors of the Company.
- (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- (4) Reviewing, with the Management, the Annual Financial Statement and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report.
- (5) Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval.
- (6) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- (7) Reviewing, and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (8) Approval of any subsequent modification of transaction of the Company with related party .
- (9) Scrutiny of inter-corporate loans and investments.
- (10) Valuation of undertaking or assets of the company, wherever it is necessary.
- (11) Evaluation of internal financial control and risk management system.
- (12) Reviewing with the management performance of statutory and internal auditors, adequacy of internal control system.
- (13) Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (14) Discussion with Internal Auditors any significant findings and follow up thereon.
- (15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- (16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (17) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (18) To review the functioning of the Whistle Blower Mechanism.
- (19) Approval of appointment of chief financial officer after assessing the 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) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Powers of Audit Committee

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

Details of Meetings and Attendance

During the year, the Audit Committee had met four times on , 26th May, 2016, 16th August, 2016, 24th November, 2016 and 10th February, 2017. 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	4	1
Mr. P.N. Sharma*	2	2

* Appointed as member of Audit Committee w.e.f. 16.08.2016.

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 and Senior Management 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 viz Mr. G.N. Gupta, Mr. T.N. Pandey, Mr. M.G. Gupta and Mr. R.K. Jain All the members of the Nomination and Remuneration Committee are Non-Executive Directors out of which three are Independent. Mr. G.N. Gupta (Chairman, of Nomination and Remuneration Committee) was present in the last Annual General Meeting held on 20th August, 2016.. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met on 26th May, 2016, 25th June, 2016 and 10th February, 2017. All the members of the Committee had attended the aforesaid Meeting.

Performance Evaluation for Independent Director

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

5. Remuneration to Directors

Details of Remuneration paid to Whole-time Director and Manager for the year ended 31.03.2017 is given below:

(Rupees in lacs)

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission (paid) (Rs.)	Total (Rs.)	Service Contract
Mr. S.K. Kaushik	15.00	--	--	15.00	3 Years
*Mr. B.P. Sharma	4.16	0.50	--	4.66	3 Years

*Ceased as Manager of the Company w.e.f.05.07.2016

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.

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

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	--	125000
Mr. T.N. Pandey	125000	275000	400000
Mr. G.N. Gupta	125000	200000	325000
Mr. M.G. Gupta	125000	225000	350000
Mrs. Anupam Ahuja	50000	25000	75000
Mr. R.K. Jain	125000	275000	400000
Mr. P.N. Sharma	100000	75000	175000
*Mrs. Shefali Dubey	--	--	--

*Mrs. Shefali Dubey has resigned w.e.f. 21.02.2017

6. 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 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 26th April, 2016, 20th November, 2016 and 20th January, 2017. All the members had attended the meetings

The total numbers of complaints received and resolved during the year under review were 24, outstanding complaints as on 31.03.2017 were nil. There was no valid share transfer pending for registration for more than 10 days as on the said date.

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

Prohibition of Insider Trading

With a view to regulate Trading in Securities by the Directors and Designated Employees, the Company has adopted a "Code of Conduct for Prohibition of Insider Trading". The details are available on the Company's website (weblink <https://www.flexfoodsltd.com/pdf/Code%20of%20Conduct%20for%20Prevention%20of%20Insider%20Trading%202015.pdf>)

7. Corporate Social Responsibility (CSR) Committee of Board

Presently the CSR committee has three members consisting of Mr. M. G. Gupta (Chairman), Mr. R. K. Jain and Mr. S.K. Kaushik.

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 terms of reference of the committee include formation and recommendation to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken by the Company in compliance with provision of the Companies Act, 2013 and rules made thereunder; recommending the amount of expenditure to be incurred on CSR activities and monitoring the CSR Policy of the Company from time to time as specified in Schedule VII of the Companies Act, 2013.

The meeting of Corporate Social Responsibility Committee was held on March 25, 2017. All the members had attended the meeting.

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

8. Subsidiary Companies

The Company does not have any Subsidiary Company.

9. General Body Meetings

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

AGM	Day, Date & time	Venue	Special Resolution Passed
24 th	Saturday August 23, 2014 at 3:00 P.M.	Registered Office at: Lal Tappar Industrial Area P.O. Rasham Majri Haridwar Road Dehradun, Uttarakhand	- Borrow money in excess of Paid up capital and Free reserve
25 th	Saturday August 22, 2015 at 3:00 P.M.	Same as above	NIL
26 th	Saturday August 20, 2016 at 3:00 P.M.	Same as above	Nil

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

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

10. Disclosures

a) Related Party Transactions

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

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

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

c) Disclosure of Accounting Treatment

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

d) Disclosures of Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed 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 is annexed and forms part of the Annual Report.

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

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

i) Code of conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the Directors and Senior Management. The Code of conduct also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been put on the Company's website (www.flexfoodsltd.com) (Weblink <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 Company's Whole-time Director is published in this Report.

j) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2017 have been prepared as per applicable Indian 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

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

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

11. CEO/CFO Certifications

Mr. S.K. Kaushik, Whole-time Director and Mr. Naval Duseja, DY. General Manager (Finance & Account) CFO give annual certification on financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on 29.05.2017.

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. The Board of Directors of the Company appointed the Three Independent Directors for 5 consecutive years for a term upto 31st March, 2019, one Independent Director for 5 consecutive years for a term upto 03rd August, 2020 and one Independent Director for 3 consecutive years for a term upto 25th May, 2019.

(ii) Shareholders Rights

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

(iii) Audit Qualifications

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

(iv) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee

13. Means of Communication

The quarterly un-audited financial results duly approved by the Board of Directors are sent to the Stock Exchange where the Company's shares are listed immediately after the Board Meeting. The same are also published in widely circulated Newspapers such as 'Financial express'(English) and 'Jansatta'(Hindi) newspapers in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the stipulated period and in the format as prescribed by the Stock Exchanges and the Company posts its financial results for all quarters on its own website i.e. www.flexfoodsLtd.com 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 : 12th August, 2017

Day : Saturday

Time : 3.00 P.M.

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

(b) Financial Calendar (Tentative)

- Results for quarter ending 30.06.2017: First week of August, 2017
- Results for quarter ending 30.09.2017: First week of November, 2017
- Results for quarter ending 31.12.2017: First week of February, 2018
- Results for quarter ending 31.03.2018: Last week of May, 2018



(c) Book Closure date

05.08.2017 to 12.08.2017 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2016-2017, if declared will be paid/credited to the account of the shareholders on or after 12.08.2017

(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 2017-2018 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 2016-2017:-

Share prices on BSE Limited are as under:

(Rs.)

Month	High	Low
April, 2016	63.50	55.50
May, 2016	65.45	58.00
June, 2016	104.00	61.15
July, 2016	95.00	81.50
August, 2016	94.50	80.50
September, 2016	120.95	80.20
October, 2016	129.80	105.90
November, 2016	147.80	97.00
December, 2016	110.00	92.20
January, 2017	110.00	98.50
February, 2017	114.00	91.95
March, 2017	96.65	88.00

(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

3rd 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 Shareholding as on 31.03.2017

Range	No. of Shareholders	No. of shares	% of total equity
1 - 500	13678	1721182	13.82
501-1000	534	446527	3.59
1001-2000	260	400531	3.22
2001-3000	78	199785	1.60
3001-4000	53	193005	1.55
4001-5000	45	212909	1.71
5001 -10000	49	365184	2.93
10001 – 20000	33	443889	3.57
Above 20000	19	8466988	68.01
TOTAL	14749	12450000	100.00

(m) Categories of Shareholders as on 31.03.2017

Category Code	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	Shareholding of Promoters & Promoter Group			
1	Indian	9	7429735	59.68
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	7429735	59.68
(B)	Public Shareholding			
1	Institution	1	100	0.00
2	Non-Institution	14739	5020165	40.32
	Total Public Shareholding	14740	5020265	40.32
(C)	Non Promoter-Non Public	--	--	--
(C1)	Share Underlying DRs	--	--	--
(C2)	Shares /held by Employee Trusts	--	--	--
	Total (A+B+C)	14749	12450000	100.00

(n) Dematerialization of Shares and liquidity

Nearly 92.21% of total equity share capital is held in dematerialized form upto 31.03.2017 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 Chhiggerwala, Haridwar Road, Dehradun, Uttarakhand.



(p) Address for Correspondence

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

Beetal Financial & Computer Services

Pvt. Ltd.

(Unit Flex Foods Ltd.)

BEETAL House

3rd Floor, 99, Madangir

Behind Local Shopping Centre

Near Dada Harsukh Dass Mandir

New Delhi – 110062

Tel. No.011- 29961281

E-mail: beetal@beetalfinancial.com

Fax No.011- 29961284

Flex Foods Limited

305, Third Floor

Bhanot Corner

Pamposh Enclave

Greater Kailash - I

New Delhi - 110048

Tel. No.011-26440925

Fax No.011-26216922

E-mail : flexsec@vsnl.net

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

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

SI No.	Particulars	No. of Shareholders	No. of Equity share held
1	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying in the beginning of the year.	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

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 29.05.2017 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 31st March, 2017 as per Regulations 17, 18, 19, 20, 22, 23, 25, 26, 27 and clause(b) to (i) of the Regulation 46(2) and paragraph C, D, E & F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Agreement').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17, 18, 19, 20, 22, 23, 25, 26, 27 and clause(b) to (i) of the Regulation 46(2) and paragraph C, D, E & F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **JAIN SINGHAL & ASSOCIATES LLP.**

Chartered Accountants

Converted from Jain Singhal & Associates as on 25th April, 2017

Firm's Registration No. 005839N / N500066

Bhawna Khanna

Partner

Membership No. 502428

Dated : 29th May, 2017

Place : Noida

DECLARATION

**To the Members of
FLEX FOODS LIMITED**

I Surrender Kumar Kaushik, Whole-time Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the rules of Code of Conduct for the financial year ended 31st March, 2017 pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **FLEX FOODS LIMITED**

Place : NOIDA

Dated : 29th May, 2017

S.K. KAUSHIK
Whole-time Director

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 is of enormous significance for India's development because of the vital linkages and synergies that it promotes between the two pillars of our economy, industry and agriculture. A growing food processing sector and progressive improvement in the value chain are also of greater importance for creating favourable trade environment for Indian agriculture both in domestic and international markets. Even more important is the crucial contribution that an efficient food processing industry can make in the nation's food security.

Government of India has given utmost priority in developing the food processing sector and a number of initiatives have been taken to promote this sector and encourage investment in food processing. This sunrise sector can significantly reduce wastage, generate employment, offer remunerative prices to farmers and help in reducing food inflation.

Product-wise performance

Sale of Finished Goods

Description	Current Year		Previous Year	
	Quantity (in MTS)	Value (Rupees in Lacs)	Quantity (in MTS)	Value (Rupees In Lacs)
Processed Foods	1690	7204.44	1993	6843.25
Others	867	890.87	1082	1055.58
Total	2557	8095.31	3,075	7,898.83

Opportunities and Threats

Opportunities

- Increase in demand for processed food with growing disposable income, urbanization, young population and nuclear families.
- Household consumption set to be double by 2020.
- Changing lifestyle and increasing expenditure on health and nutritional foods.
- Investment including FDI, would rise with strengthening demand and supply fundamentals.
- Launch of infrastructure development schemes to increase investment in food processing infrastructure.
- India benefits from a large agriculture sector, abundant livestock and cost competitiveness.
- Investment opportunities to arise in agriculture, food infrastructure and contract farming.
- Diverse agro-climatic conditions encourage cultivation of different crops.

With the growing awareness for nutritive and quality food by growing health conscious population, the demand for food including mushrooms is rising and will continue to rise with increase in global population and expandable income. The mushroom cultivation has grown up in almost all the parts of the world and during last three decades, the world mushroom production achieved the growth rate of about 10%. Globally, China is the leading producer of mushrooms with more than 70% of the total global production, which is attributed to community based farming as well as diversification of mushrooms.

In India, owing to varied agro-climate and abundance of farm waste, different types of temperate, tropical and subtropical mushrooms are cultivated throughout the country, yet the Country does not have any significant status either as a Mushroom producer or as a consumer.

Business Overview

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

**Threats**

- Changes in Regulatory Policies.
- Increase in raw material prices,
- Change in whether conditions
- Changing consumer demand.
- Impact of currency fluctuation.
- Competition from domestic as well as international front.

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 by building adequate processing capacities to meet the growth potential both in the Domestic and International Markets.

Future Outlook

The food processing sector in India is poised for Immense growth and greater contribution in world foods 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

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 31st March 2017, the total number of permanent employee in the Company were 496.

Environment, Occupational Health & Safety

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

ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE

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

A. FINANCIAL CONDITIONS

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2017	March 31, 2016	Growth %
Land	383.92	382.45	0.38
Buildings	2168.82	2151.71	0.79
Plant & Equipments	9917.58	9563.44	3.70
Electrical Fittings & Installations	389.44	386.68	0.71
Office Equipments	83.66	65.70	27.34
ERP Software	32.49	32.49	-
Furniture & Fixtures	20.13	17.75	13.41
Vehicles	141.19	141.19	-
Total	13137.23	12741.41	
Less: Acc. Depreciation	5658.54	5190.13	
Add: CWIP	84.10	17.15	
Net Fixed Assets	7562.79	7568.43	

CURRENT ASSETS, LOANS & ADVANCES
Inventories

Inventories include stock of raw material, consumables, work-in-progress, finished goods and packing material. Total inventories were Rs 2066.52 lacs, as at 31st March 2017 as against Rs.1836.81 lacs as at 31st March 2016. This represents 152.46% & 110.10% of the consumption of raw material for 31.03.2017 and 31.03.2016 respectively.

Sundry Debtors

Sundry debtors were Rs 2023.35 lacs as at 31st March, 2017 as against Rs. 1866.31 lacs as at 31st March, 2016. Debtors as a percentage of total revenue from operation were 23.75 % for the current year as against 22.57 % for the previous year.

Cash and Bank Balances

Cash and bank balances were 6.42% of total assets as on 31st March, 2017 as against 11.40 % as on 31st March, 2016

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. 783.82 lacs represent closing balance of net deferred tax liabilities after adjusting total deferred tax assets and deferred tax liabilities as on 31.03.2017. 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 & PROVISION
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 under review is given below:

(Rs.in lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Amount	%	Amount	%
INCOME				
Revenue from operations	8517.25	97.85	8268.62	97.15
Other income	186.93	2.15	242.30	2.85
Total Revenue	8704.18	100.00	8510.92	100.00
EXPENDITURE				
Raw Material Consumed	1355.47	15.57	1668.34	19.60
Purchase of Stock in Trade	15.31	0.18	-	-
(Increase)/Decrease in stock	-119.44	-1.37	(221.51)	(2.60)
Manufacturing Exp.	2125.72	24.42	1912.17	22.46
Payment & Benefit to Emp.	1542.76	17.72	1418.26	16.66
Administrative, Selling & Other Expenses	1693.06	19.45	1646.53	19.35
OPERATING EXPENSES	6612.88	75.97	6423.79	75.47
EBDIT	2091.30	24.03	2087.13	24.53



ANNEXURE - E
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Processed Foods	10799	89
2	Fresh Mushrooms	01136	11

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	
A. Promoter and Promoter Group									
(1) Indian									
a) Individuals / Hindu Undivided Family	52620	--	52620	0.42	52620	--	52620	0.42	--
b) Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	7377115	--	7377115	59.26	7377115	--	7377115	59.26	--
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(1)	7429735	--	7429735	59.68	7429735	--	7429735	59.68	--

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	
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	7429735	--	7429735	59.68	7429735	--	7429735	59.68	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	--	--	--	--	100	0-	100	0	0
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (B)(1)	--	--	--	--	100	0	100	0	0
2. Non-Institutions									
a) Bodies Corporate									
i. Indian	236757	3800	240557	1.93	207742	3800	211542	1.70	-0.23
ii. Overseas				--					
b) Individuals-									
i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	2453666	967151	3420817	27.48	2349067	953251	3302318	26.52	-0.95
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	1159988	12500	1172488	9.42	1299757	12500	1312257	10.54	1.12
c) Any Other (specify)									
- NRIs	178366	--	178366	1.43	182533	--	182533	1.47	0.03
- Clearing Members (in Transit Position)	8037	--	8037	0.06	11515		11515	0.09	0.03
Sub - Total (B)(2)	4036814	983451	5020265	40.32	4050614	969551	5020165	40.32	--
Total Public Shareholding (B) = (B)(1)+(B)(2)	4036814	983451	5020265	40.32	4050714	969551	5020265	40.32	--
C. Shares held by Custodians for GDRs & ADRs	--	--		--	--	--		--	--
GRAND TOTAL (A)+(B)+(C)	11466549	983451	12450000	100	11480449	969551	12450000	100	--



(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	--	0	0	--	-043
9	A.L. Consultants Private Limited	25000	0.20	--	78685	0.63	--	0.43
10	Magic Consultants Private Limited	10500	0.08	--	10500	0.08	--	--
11	Naru Investments Private Limited*	100	0.00	--	0	0.00	--	--
	Total	7429735	59.68		7429735	59.68		

* Merged with A.L. Consultants Private Limited w.e.f. 12 May, 2016.

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

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

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

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SUBRAMANIAN P	--	--	225240	1.81
2	SANGEETHA S	198690	1.60	--	--
3	SANTOSH SITARAM GOENKA	209232	1.68	221222	1.78
4	SUNITA SANTOSH GOENKA	141548	1.14	143030	1.15
5	PORINJU V VELIYATH	--	--	125000	1.00
6	SUPRIYA SANTOSH GOENKA	97720	0.78	97720	0.78

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
7	TARAK V VORA	--	--	38630	0.31
8	AJWIN CONSULTING SOLUTIONS PVT. LTD.	--	--	37779	0.30
9	RAVINDRA SHANKAR WAGH	50050	0.40	35995	0.29
10	AVINASH BAHETI	35000	0.28	35000	0.28
11	PRABINAVEN VORA	32097	0.26	32097	0.26
12	HARSHAD KUMAR RATILAL DESAI	32460	0.26	--	--
13	SRINIVASA BABU THIKKAMANENI	30000	0.24	29000	0.23
14	BHARAT J. PATEL	28450	0.23	28450	0.23

(v) Shareholding of Directors and Key Managerial Personnel:

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



Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mr. P.N. Sharma					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mrs. Anupam Ahuja					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. S.K. Kaushik					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mrs. Shefali Dubey (Resigned w.e.f 21.02.2017)					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Naval Duseja					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr.Rajesh Dheer					
1	At the beginning of the year	1	0	1	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	1	0	1	0
Mr.B.P. Sharma (ceased as Manager w.e.f 05.07.2016)					
1	At the beginning of the year	70	0	70	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	70	0	70	0


FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	3983.59	--	--	3983.59
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	22.31	--	--	22.31
iii) Interest accrued but not due				
Total (I + ii + iii)	4005.90	--	--	4005.90
Change in Indebtedness during the financial year	10277.69			10277.69
• Addition	10639.54			10639.54
• Reduction				
Net Change	(361.86)			(361.86)
Indebtedness at the end of the financial year	3629.39			3629.39
i) Principal Amount				
ii) Interest due but not paid	14.66			14.66
iii) Interest accrued but not due				
Total (i + ii + iii)	3644.05			3644.05

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

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Mr. S.K. Kaushik Whole-time Director	Mr. B.P.Sharma Manager (upto 04.05.2016)	Total Amount
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.00	4.16	19.16
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	0.50	0.50
	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			
	Total (A)	15.00	4.66	19.66
	Ceiling as per the Act			

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	Mrs. Anupam Ahuja	Mr. P.N. Sharma	Mrs. Shefali Dubey*	
1.	• Fee for attending board / committee meetings	3.50	4.00	3.25	0.75	1.75	Nil	13.25
	• Commission	--	--	--	--	--	--	--
	• Others, please specify	--	--	--	--	--	--	--
	Total B(1)	3.50	4.00	3.25	0.75	1.75	Nil	13.25

- Mrs, Shefali Dubey independent director resigned w.e.f.21.02.2017

**2. Other Non-Executive Director***Amount (Rs. In Lacs)*

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Ashok Chaturvedi	Mr. R.K. Jain	
1.	<ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	1.25	4.00	5.25
	Total B(1)	1.25	4.00	5.25

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	20.93	13.83	34.76
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.91	0.41	1.32
	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	.17	0.17	0.34
	Total	22.01	14.41	36.42

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

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

ANNEXURE - F

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:

Non-Executive Directors	Ratio to Median Remuneration
Mr. Ashok Kumar Chaturvedi	0.83
Mr. Triloki Nath Pandey	2.65
Mr. Gyanendra Nath Gupta	2.15
Mr. Madan Gopal Gupta	2.32
Mr. Ravinder Kumar Jain	2.65
Ms. Anupam Ahuja	0.50
Ms. Shefali Dubey	0
Executive Director	Ratio to Median Remuneration
Mr. Surrender Kumar Kaushik	9.94

(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;

Name of Person	% Increase in remuneration
Non Executive Directors	
Mr. Ashok Kumar Chaturvedi	-28.57%
Mr. Triloki Nath Pandey	6.67%
Mr. Gyanendra Nath Gupta	8.33%
Mr. Madan Gopal Gupta	7.69%
Mr. Ravinder Kumar Jain	-5.88%
Ms. Anupam Ahuja	-25.00%
Ms. Shefali Dubey	0
Mr. Surender Kumar Kaushik®	-100%
KMP	
Mr. Bhagwati Prasad Sharma (Manager) (till 05.07.2016)	-76.62% (*)
Mr. Naval Duseja (CFO)	14.02%
Mr. Rajesh Dheer (CS)	7.75%
Mr. Surrender Kumar Kaushik (WTD)	1100% (#)

(*) The same is calculated considering his candidature as "Manager" for the part of the year & not his general employment after 05.07.2016.

(#) The same is calculated by considering the total annual remuneration received only in the capacity of WTD w.e.f. 01.03.2016.

(®) The same is calculated considering his candidature as "Executive Director" for the part of the year i.e. till 29.02.2016 and not his employment w.e.f. 01.03.2016.

(b) The percentage increase in the median remuneration of employees in the financial year : 11.49%

(c) The number of permanent employees on the rolls of company: as on 31.03.2017 employees are 496, However, the data taken for calculation of median remuneration of the employee was 509.

(d) The explanation on the relationship between average increase in remuneration and company performance: On an average, employees received an increase of 11.49%. 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 2016-17 (Aggregated)	56.08
Revenue from operations	8517.25
Remuneration (as % of revenue)	0.66%
Profit before tax (PBT)	1122.15
Remuneration (as % of PBT)	4.99%

(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 17	As at 31 March 16	Variation
Closing rate of share at BSE	Rs.	91.30	55.40	64.80%
EPS	Rs.	6.31	6.56	-3.81%
Market Capitalisation	Rs/lac	11366.85	6897.3	85.00%
Price Earning Ratio	Ratio	14.06	8.54	64.80%

(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 2016-17 was **11.49%**. Percentage increase in the managerial remuneration for the year was **1.09%**

(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
	Mr. B.P. Sharma (till 05.07.2016)	Mr. Naval Duseja	Mr. Rajesh Dheer	Mr. S. K. Kaushik
	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration	4.66	22.01	14.41	15.00
Revenue	8517.25	8517.25	8517.25	8517.25
Remuneration (as % revenue)	0.055%	0.258%	0.169%	0.176%
Profits before tax (PBT)	1122.15	1122.15	1122.15	1122.15
Remuneration (as % of PBT)	0.42%	1.96%	1.28%	1.34%

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

The remuneration & perquisites of Whole-time Director/Manager were approved by the members. Further the Non – Executive Directors are getting only sitting fees for attaining 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:

0.224:1

(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 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%. Water consumption has been reduced by 25% creating awareness recycling of water.

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 saving & increased level of awareness amongst the employees.

Company has been re-certified again at grade AA for Global Standard for Food Safety (formerly BRC).

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

- B) Zig Zag Classifier has been installed and commissioned for removing foreign matters in finished freeze dried product i.e culinary herbs and mushroom.
- C) The quality of Freeze Dried products has been drastically improved by using Zig Zag Classifier.

TECHNOLOGY ABSORPTION

Research & Development (R&D)

i) Specific area 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 Organic Herbs namely Oregano, Thyme, Dill, Parsley and Basil

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

Freeze Dried Organic Herbs 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 Air Dried Green, Red Capsicum and Moringa.
- 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.

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.5801.77 lacs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to Rs. 395.09 lacs.



INDEPENDENT AUDITOR'S REPORT

The Members of
FLEX FOODS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **FLEX FOODS LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March 2017, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS 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 Ind AS 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of the affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the Books of Account.
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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
 - g) 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 Ind AS Financial Statements – Refer Note 32(a)(i)& (iv) to the Ind AS 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; and
 - iv. The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th of November, 2016 to 30th of December, 2016 and these are in accordance with the books of accounts maintained by the company, Refer Note 35 to the Ind As financial statements.

For JAIN SINGHAL & ASSOCIATES LLP

Chartered Accountants

Converted from Jain Singhal & Associates as on 25.04.2017

Firm Registration No. 005839N/N500066

Place : NOIDA

Dated : 29th May, 2017.

Bhawna Khanna

Partner

Membership No. 502428

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” ON THE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of “FLEX FOODS LIMITED” ('the Company') for the year Ended on 31st March 2017, We report that:

i. In respect of Fixed Assets of the Company:

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

ii. In respect of Inventories of the Company:

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

- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore the provision of clause (iii) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- iv. The Company has not given any loans, guarantees and security to any Director or to any other person in whom Director is interested in compliance with the section 185 & 186 of the Act.
- v. The company has not accepted any deposits. Therefore the provision of clause (v) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- vi. The Provisions of maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the products dealt / manufactured by the company are not applicable to the company. Therefore the provisions of clause (vi) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Customs 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 31st March 2017 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no pending dues in respect of Sales Tax, Service tax, Value added tax, 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. 85.62 Lakhs, pending before CIT (Appeals) Delhi;
- (ii) Disputed Customs and Central Excise Dues: Aggregate Duty of Rs 779.50 Lakhs, pending before (a) CESTAT New Delhi (Rs. 660.60 Lakhs), (b) Commissioner (Central Excise Appeals) Meerut (Rs 98.01 Lakhs) and (c) Additional Commissioner Dehradun (Rs 20.89 Lakhs).

- viii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to the bank as 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 LLP**

Chartered Accountants

Converted from Jain Singhal & Associates as on 25.04.2017

Firm Registration No. 005839N/N500066

Place : NOIDA

Dated : 29th May, 2017.

Bhawna Khanna

Partner

Membership No. 502428

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31ST MARCH 2017**

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

Report on the Internal Financial Controls

We have audited the Internal Financial Controls over financial reporting of “FLEX FOODS LIMITED” (“the Company”) as of 31st March 2017 in conjunction with our audit of the Ind AS 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 31st March 2017, 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 LLP**

Chartered Accountants

Converted from Jain Singhal & Associates as on
25.04.2017

Firm Registration No. 005839N/N500066

Place : NOIDA

Dated: 29th May, 2017.

Bhawna Khanna

Partner

Membership No. 502428



BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	(Rs. in Lacs)		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. ASSETS				
1. Non-Current Assets				
a) Property, Plant and Equipment	3(a)	7,477.20	7,548.17	5,492.40
b) Capital work-in-progress		84.10	17.15	236.34
c) Intangible assets	3(b)	1.49	3.11	8.26
d) Financial assets				
(i) Loans & Security Deposits	4	130.86	129.88	472.10
(ii) Other financial assets	5	-	-	-
e) Other Non-Current Assets	6	69.26	145.46	642.09
Total Non-Current Assets		7,762.91	7,843.77	6,851.19
2. Current Assets				
a) Inventories	7	2,066.52	1,836.81	1,642.90
b) Financial assets				
(i) Trade Receivables	8	2,023.35	1,866.31	1,226.81
(ii) Cash and Cash Equivalents	9	740.14	1,351.18	436.83
(iii) Bank Balances other than (ii) above	10	103.39	101.79	102.45
(iv) Loans & Security Deposits	4	62.39	64.40	484.82
(v) Other financial assets	5	27.12	23.95	16.24
d) Other Current Assets	6	1,288.18	778.67	512.16
Total Current Assets		6,311.09	6,023.11	4,422.21
TOTAL ASSETS		14,074.00	13,866.88	11,273.40
II. EQUITY AND LIABILITIES				
a) Equity share capital	11	1,245.00	1,245.00	1,245.00
b) Other equity		6,366.29	5,969.70	5,491.21
Total Equity		7,611.29	7,214.70	6,736.21
Liabilities				
1. Non-current liabilities				
a) Deferred Government Grants	12	228.38	223.24	200.88
b) Financial liabilities				
(i) Borrowings	13	1,030.86	1,559.06	698.32
c) Provisions	14	79.35	73.51	71.72
d) Deferred Tax Liabilities(Net)	15	783.82	713.54	519.30
e) Other non-current liabilities	19	-	-	-
Total Non-current liabilities		2,122.41	2,569.35	1,490.22
2. Current Liabilities				
a) Financial liabilities				
(i) Borrowings	13	2,103.19	1,796.76	1,545.20
(ii) Trade Payables	16	986.99	1,038.44	605.56
(iii) Other financial Liabilities	17	680.77	775.53	328.36
b) Other current liabilities	19	223.17	219.63	145.50
c) Provisions	14	249.84	214.12	199.09
d) Current tax liabilities(Net)	18	96.34	38.35	223.26
Total Current liabilities		4,340.30	4,082.83	3,046.97
TOTAL EQUITY AND LIABILITIES		14,074.00	13,866.88	11,273.40

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-42

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 LLP
Chartered Accountants
Converted from Jain Singhal & Associates on 25.04.2017
Firm Registration No.005839N/
N500066

M.M. Varshney
Sr. Vice President

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Bhawna Khanna
Partner
Membership No.502428

Place : NOIDA
Dated : 29th May, 2017



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Income			
I Revenue from Operations	20	8,517.25	8,268.62
II Other Income	21	186.93	242.30
III Total Income		8,704.18	8,510.92
IV Expenses			
Cost of Material Consumed	22	1,355.47	1,668.34
Purchases of Stock in Trade		15.31	-
Changes in inventories of Finished Goods & Work-In-Progress	23	(119.44)	(221.51)
Employee benefit expenses	24	1,542.76	1,418.26
Finance Cost	25	482.88	365.57
Depreciation and Amortization Expenses	3(a) & (b)	486.27	431.03
Manufacturing Expenses	26	2,125.72	1,912.17
Administration and Selling Expenses	27	1,693.06	1,646.53
Total Expenses		7,582.03	7,220.39
V Profit before tax (III-IV)		1,122.15	1,290.53
VI Tax expense:			
(1) Current tax		263.98	279.34
(2) Deferred Tax (Assets) / Liability		76.84	194.69
Less/(Add): Short/(Excess) Provision of Income Tax for earlier year		(3.21)	(0.01)
Total Tax Expenses (VI)		337.61	474.02
VII Profit for the Period (V-VI)		784.54	816.51
VIII Other Comprehensive Income			
<i>Item that will not be reclassified to Profit or Loss</i>			
Actuarial Gain/(Loss)		(19.89)	(1.32)
Less: Income Tax on Other Comprehensive Income		6.55	0.46
Total Comprehensive Income for the period (VII+VIII)		771.20	815.65
IX Earnings per equity share:			
(1) Basic	28	6.31	6.56
(2) Diluted	28	6.31	6.56
X NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-42			

For and on behalf of the Board of Directors

This is the Statement of Profit & 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
Chief Executive Officer

For Jain Singhal & Associates LLP
Chartered Accountants
Converted from Jain Singhal & Associates on 25.04.2017
Firm Registration No.005839N/
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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 : 29th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		1,122.15	1,290.53
Adjustments for :			
Depreciation and Amortization		486.27	431.03
Deferred Income on Capital Subsidy		(18.42)	(15.15)
Exchange Rate Fluctuations (Net)		(106.84)	(118.04)
Interest expenses		482.88	365.57
Sundry Balances Written Off		64.72	48.26
Sundry Balances Written Back		(1.41)	(2.89)
Loss/(Profit) on Sale of Fixed Assets (Net)		7.12	0.71
Interest Income		(76.47)	(120.77)
Operating Profit before Working Capital Changes		1,960.00	1,879.25
Adjustments for :			
(Increase)/Decrease in Inventories		(229.71)	(193.91)
(Increase)/Decrease in Trade Receivables, Current Financial Assets & Other Current Assets		(731.02)	(584.54)
(Increase)/Decrease in Non Current Financial Assets & Other Non Current Assets		75.22	838.87
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities & Current Provisions		(68.86)	783.00
Increase in Non Current Provisions(Net)		5.84	1.79
Cash Generated From Operating activities		1,011.47	2,724.46
Income Tax paid		(260.77)	(233.47)
Exchange Rate Fluctuations (Net)		106.84	118.04
Net Cash Generated From Operating Activities		857.54	2,609.03
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment & Capital Work-In -Progress		(490.89)	(2,266.02)
Purchase of Intangible Assets		-	(1.23)
Capital Subsidy Received During The Year		23.56	37.50
Proceeds from Sale of Property, Plant and Equipment		3.14	4.06
Interest Received		76.47	120.77
Net cash used in Investing Activities		(387.72)	(2,104.92)
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of Non Current Borrowings (Net)		(528.20)	860.74
Proceeds from Current Borrowings(Net)		306.43	251.56
Dividend Paid, including Dividend Tax		(374.61)	(337.15)
Interest & Finance charges		(482.88)	(365.57)
Net cash used in Financing Activities		(1,079.26)	409.58
Net increase/(decrease) in Cash & Cash Equivalents	(I+II+III)	(609.44)	913.69
Cash & Cash Equivalents at beginning of the year	9 & 10	1,452.97	539.28
Cash & Cash Equivalents at end of the year #	9 & 10	843.53	1,452.97

Note:

Includes Rs.103.39 lacs (Previous Year Rs.101.79 lacs) in respect of amount lying in unclaimed dividend account, margin money for bank guarantee.

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-42

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
For Jain Singhal & Associates LLP
Chartered Accountants
 Converted from Jain Singhal & Associates on 25.04.2017
 Firm Registration No.005839N/
 N500066

M.M. Varshney
Sr. Vice President
Rajesh Dheer
Company Secretary
Naval Duseja
Chief Financial Officer
Bhawna Khanna
Partner
 Membership No.502428

 Place : NOIDA
 Dated : 29th May, 2017



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Equity Share Capital	Other equity			Total	Total Equity & Other Equity
		Reserve & surplus		Other Comprehensive Income		
		Retained Earnings	General Reserve	Other Items of other Comprehensive Income		
Balance as of April 1,2015	1,245.00	4,564.23	926.98	-	5,491.21	6,736.21
Changes In equity for the year ended March 31,2016						
Transfer to general reserve	-	(80.86)	80.86	-	-	-
Dividend Paid	-	(280.13)	-	-	(280.13)	(280.13)
Dividend Tax Paid	-	(57.03)	-	-	(57.03)	(57.03)
Remeasurement of the net defined benefit liability/assets,net of tax effect	-	-	-	(0.86)	(0.86)	(0.86)
Profit for the Period	-	816.51	-	-	816.51	816.51
Balance as of March 31, 2016	1,245.00	4,962.72	1,007.84	(0.86)	5,969.70	7,214.70

Particulars	Equity Share Capital	Other equity			Total	Total Equity & Other Equity
		Reserve & surplus		Other Comprehensive Income		
		Retained Earnings	General Reserve	Other Items of other Comprehensive Income		
Balance as of April 1,2016	1,245.00	4,962.72	1,007.84	(0.86)	5,969.70	7,214.70
Changes In equity for the year ended March 31,2017						
Transfer to general reserve	-	-	-	-	-	-
Dividend Paid	-	(311.25)	-	-	(311.25)	(311.25)
Dividend Tax Paid	-	(63.36)	-	-	(63.36)	(63.36)
Remeasurement of the net defined benefit liability/assets,net of tax effect	-	-	-	(13.34)	(13.34)	(13.34)
Profit for the Period	-	784.54	-	-	784.54	784.54
Balance as of March 31,2017	1,245.00	5,372.65	1,007.84	(14.20)	6,366.29	7,611.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-42

For and on behalf of the Board of Directors

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

Ashok Chaturvedi
Chairman
DIN -00023452

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

A.R. Rao
Chief Executive Officer

For Jain Singhal & Associates LLP
Chartered Accountants
Converted from Jain Singhal & Associates on 25.04.2017
Firm Registration No.005839N/N500066

M.M. Varshney
Sr. Vice President

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Bhawna Khanna
Partner
Membership No.502428

Place : NOIDA
Dated : 29th May, 2017

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1 COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

I COMPANY OVERVIEW

Flex Foods Ltd. is a public limited company and incorporated on 5th February, 1990 with the Registrar of Companies, having Corporate Identification Number (CIN) L15133UR1990PLC023970. The Registered Office of the Company is situated at Lal Tappar Industrial Area, P. O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand) and Corporate office at A-107-108, Sector-4, Noida, Uttar Pradesh-201301.

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

II SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Accounting Standards) Rules 2015 and Companies (Accounting Standards) Rules 2016 with effect from 1st April 2016. The adoption of the IND AS was carried out in accordance with the IND AS 101 First Time adoption of Indian Accounting Standards. Please refer to Note No. 2 for more information on reconciliations of differences and descriptions of the effect of transition.

The transition of Ind AS as resulted in changes in the presentation of the Financial Statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

Accordingly the Financial Statements of the Company with effect from 1st April 2016 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Accounting Standards) Rules 2015 and Companies (Accounting Standards) Rules 2016, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial Statements of the Company are prepared under the historical cost convention on the accrual basis except for the following assets and liabilities which have been measured at their fair value.

- Certain financial assets and liabilities measured at fair value (refer relevant accounting policies for more details).

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

For the periods upto and including the financial year ended 31st March 2016; the financial Statements were prepared in accordance with the Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis. IGAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI), Accounting Policies have been consistently applied.

B. USE OF ESTIMATES AND JUDGEMENTS

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

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

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

C. CLASSIFICATION OF EXPENDITURE/INCOME

Except Otherwise Indicated:-

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

D. REVENUES

- Revenues from sales of goods are recognized when the significant risk and rewards of the ownership of the goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon shipment.

- (ii) Sales returns / rate differences are adjusted from the sales of the year in which the returns take place / rate differences accepted.
- (iii) Sales are adjusted for Rebate & Discount allowed and commission paid.
- (iv) Interest income is recognized on time apportionment basis. Effective interest method is used to compute the interest income on long terms loans and advances.
- (v) Further, revenues are recognized at gross value of consideration received including the amount of excise duty/ cess recoveries and excluding sales tax/ value added tax.

E. PROPERTY, PLANT AND EQUIPMENT (PPE)**Recognition and measurement:**

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

The carrying amount of the all property, Plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

The Company has opted for an exemption provided by the Indian Accounting Standard (Ind As)-101. Accordingly the carrying value for all Property, plant and Equipment and Intangibles as recognized in the financial statements, as at the date of transition to Ind AS, measured as per previous IGAAP are used as deemed cost as at the date of transition.

F. INTANGIBLE ASSETS

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

G. INVESTMENT PROPERTIES

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

H. INVENTORIES

- (i) Finished Goods are valued at lower of cost, based on First in First Out (FIFO) method, arrived at after including depreciation on Plant & Machinery, Electrical Installation and Factory Building, Repair & Maintenance on

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Factory Building, specific Manufacturing expenses including Excise Duty and specific Payments and Benefits to Employees or net realizable value except in case of agricultural produce harvested from an entity's biological assets are measured at its fair value less costs to sell at the point of harvest.

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

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

I. FINANCIAL INSTRUMENTS

Initial Recognition:

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

Subsequent Recognition:

Non-derivative financial instruments

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

J. TRADE RECEIVABLES

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

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

K. LOANS AND ADVANCES

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

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

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

L. FINANCIAL LIABILITIES

- (i) Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost.
- (ii) Subsequent to initial measurement, financial liabilities are measured at amortised cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.
- (iii) Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months after the balance sheet date or beyond.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

- (iv) Financial liabilities are derecognized when the company is discharge from its obligation, they expire, are cancelled or replaced by a new liability with substantial modified terms.

M. EARNING PER SHARE

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

N. INCOME TAXES**(i) CURRENT TAX**

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

Current tax is expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

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

(ii) DEFERRED TAX ASSETS / LIABILITIES

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

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

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

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

(iii) CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

O. EMPLOYEES BENEFITS

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

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**P. IMPAIRMENT****Financial assets**

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

Intangible assets, property, plant and equipment

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

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

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

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

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

R. FOREIGN CURRENCY TRANSACTIONS

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

S. DEPRECIATION

- (i) Normal depreciation on all property, plant & equipment except Land & Intangible Assets are provided from the date of put to use for commercial production on Straight Line Method at the useful lives prescribed in Schedule-II

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

to The Companies Act, 2013 and after providing for the residual value (maximum to the extent of 5%) of the Fixed Assets as determined by the management.

- (ii) Depreciation/Amortization on addition /deletions to Fixed Assets is provided on pro-rata basis from/to the date of addition/deletions.
- (iii) Depreciation/Amortization on additions/deletions to the fixed assets due to exchange rate fluctuation is provided on pro-rata basis since inception.
- (iv) The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

T. GOVERNMENT GRANTS

- (i) Capital Subsidy received from Government as contribution towards Capital Outlay for setting up the property, plant and equipment 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.

U. PURCHASES

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

V. CLAIMS BY/AGAINST THE COMPANY

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

W. BORROWING COST

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

X. Recent Accounting Pronouncements**Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017 notifying amendments to Ind AS 7, Statement of cash flows and Ind AS 102, Share based payments, applicable w.e.f. 1st April 2017. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS 7, Statement of Cash flows and IFRS 2 Share based payments respectively. The amendments to Ind AS 7 are applicable to the Company w.e.f 1st April 2017.

Amendment to Ind AS 7;

The amendment to Ind AS 7 requires the entities to provide disclosures that enables the users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation statements between opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclosure requirement.

Amendment to Ind AS 102;

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash settled awards is determined on a basis consistent with that used for equity settled awards. Market based performance conditions and non vesting conditions are reflected in the fair values, but non market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also the amendment clarifies that the terms and conditions of a cash settled share based payment transaction are modified with the result that it becomes equity settled share based payment transaction, the transaction is accounted for as such from the date of modification. Further, the amendment requires the awards that include a net settlement feature in respect of withholding taxes to be treated as equity settled in entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

Since, the impact of proposed changes in Ind AS 7 relates to the disclosure of the items included in the financial statements. These do not have any impact on the financial position of the company.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017
2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

2.1 Equity as at April 1, 2015 and March 31, 2016

2.2 Total Comprehensive Income for the year ended March 31,2016

2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

(Rs. in Lacs)

Particulars	Note No.	Opening Balance Sheet as at April 1,2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-Current Assets							
a) Property, Plant and Equipment		5,492.40	-	5,492.40	7,548.17	-	7,548.17
b) Capital work-in-progress		236.34	-	236.34	17.15	-	17.15
c) Intangible assets		8.26	-	8.26	3.11	-	3.11
d) Financial assets							
i) Loans & Security Deposits		472.10	-	472.10	129.88	-	129.88
ii) Other financial assets		-	-	-	-	-	-
e) Other Non-Current Assets		642.09	-	642.09	145.46	-	145.46
Total Non Current Assets		6,851.19	-	6,851.19	7,843.77	-	7,843.77
Current Assets							
a) Inventories	A	1,622.21	20.69	1,642.90	1,805.33	31.48	1,836.81
b) Financial assets							
i) Trade Receivables		1,226.81	-	1,226.81	1,866.31	-	1,866.31
ii) Cash and Cash Equivalents		436.83	-	436.83	1,351.18	-	1,351.18
iii) Bank Balances other than (ii) above		102.45	-	102.45	101.79	-	101.79
iv) Loans & Security Deposits		484.82	-	484.82	64.40	-	64.40
v) Other financial assets		16.24	-	16.24	23.95	-	23.95
c) Other Current Assets	D	512.16	-	512.16	824.54	(45.87)	778.67
Total Current Assets		4,401.52	20.69	4,422.21	6,037.50	(14.39)	6,023.11
TOTAL ASSETS		11,252.71	20.69	11,273.40	13,881.27	(14.39)	13,866.88
EQUITY AND LIABILITIES							
Equity							
a) Equity share capital		1,245.00	-	1,245.00	1,245.00	-	1,245.00
b) Other equity	B(i)	5,133.37	357.84	5,491.21	5,567.36	402.34	5,969.70
Total Equity		6,378.37	357.84	6,736.21	6,812.36	402.34	7,214.70
Non-current liabilities							
a) Deferred Government Grants		200.88	-	200.88	223.24	-	223.24
b) Financial liabilities							
i) Borrowings		698.32	-	698.32	1,559.06	-	1,559.06
c) Provisions		71.72	-	71.72	73.51	-	73.51
d) Differed Tax Liabilities(Net)	C & D	519.30	-	519.30	755.66	(42.12)	713.54
e) Other non-current liabilities		-	-	-	-	-	-
Total Non current liabilities		1,490.22	-	1,490.22	2,611.47	(42.12)	2,569.35

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Note No.	Opening Balance Sheet as at April 1,2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
Current Liabilities							
a) Financial liabilities							
i) Borrowings		1,545.20	-	1,545.20	1,796.76	-	1,796.76
ii) Trade Payables		605.56	-	605.56	1,038.44	-	1,038.44
iii) Other financial Liabilities		328.36	-	328.36	775.53	-	775.53
b) Other current liabilities		145.50	-	145.50	219.63	-	219.63
c) Provisions	B(ii)	536.24	(337.15)	199.09	588.73	(374.61)	214.12
d) Current tax liabilities (Net)		223.26	-	223.26	38.35	-	38.35
Total Current liabilities		3,384.12	(337.15)	3,046.97	4,457.44	(374.61)	4,082.83
TOTAL EQUITY AND LIABILITIES		11,252.71	20.69	11,273.40	13,881.27	(14.39)	13,866.88

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS**A. Inventories**

The Company has valued its Inventory of Fresh Mushroom in accordance with the provisions contained in Ind As 41- Agriculture produce harvested from an entity's biological assets are measured at its fair value less costs to sell at the point of harvest. Accordingly, the value of inventory has been increased by Rs. 10.79 Lacs with corresponding adjustment to retained earnings.

B(i). Other Equity

1. The Cumulative Impact of Total Comprehensive Income of Rs.402.34 Lacs resulting into the increase in Other Equity to that extent.
2. In accordance with the Ind AS; Proposed Dividend are recognized as a liability when it is approved by the Shareholders. Accordingly, Rs.374.61 Lacs In respect of proposed dividend including dividend distribution tax of Rs.63.36 Lacs has been derecognized with corresponding adjustment to Provisions.

B(ii).Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

C. Deferred tax Liability

Adjustment reflect Deferred tax Liability due to increase in inventory valuation as per Ind AS 41-Agriculture Produce. Accordingly, deferred tax liability has been increased by Rs. 3.74 Lacs with corresponding adjustment to retained earnings.

D. Other current assets

As per Ind As-12 Income Taxes, Unused Tax Credits are treated as deferred tax assets. Accordingly, Unused Tax Credits amounting to Rs. 45.87 Lacs has been reduced from the other current assets with corresponding adjustment to deferred tax assets.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

2.2 Reconciliation of Total Comprehensive Income

(Rs. in Lacs)

Particulars	Note No.	Year ended March 31, 2016		
		IGAAP	Effects of transition to Ind AS	Ind AS
I Revenue from Operations	A	8,286.42	(17.80)	8,268.62
II Other Income		242.30	-	242.30
III Total Income		8,528.72	(17.80)	8,510.92
IV Expenses				
Cost of Material Consumed		1,668.34	-	1,668.34
Changes in inventories of Finished Goods & Work-In-Progress	B	(210.72)	(10.79)	(221.51)
Employee benefits expenses	C	1,419.58	(1.32)	1,418.26
Finance Cost		365.57	-	365.57
Depreciation and Amortization Expenses		431.03	-	431.03
Manufacturing Expenses		1,912.17	-	1,912.17
Administration and Selling Expenses	A	1,664.33	(17.80)	1,646.53
Total Expenses		7,250.30	(29.91)	7,220.39
V Profit before tax (III-IV)		1,278.42	12.11	1,290.53
VI Tax expense:				
(1) Current tax		279.34	-	279.34
(2) MAT Credit Entitlement	F	(45.87)	45.87	-
(3) Deferred Tax (Assets) / Liability	D, E & F	236.36	(41.67)	194.69
Less/ (Add): Short/ (Excess) Provision of Income Tax for earlier year		(0.01)	-	(0.01)
Total Tax Expenses (VI)		469.82	4.20	474.02
VII Profit for the Period (V-VI)		808.60	7.91	816.51
VIII Other Comprehensive Income				
<i>Item that will not be reclassified to Profit or Loss</i>				
Actuarial Gain/(Loss)	C	-	(1.32)	(1.32)
Less: Income Tax on Other Comprehensive Income	D	-	0.46	0.46
Total Comprehensive Income, net of tax (VII+VIII)		808.60	7.05	815.65

Explanation for reconciliation of total Comprehensive Income**A. Revenue form operations**

As per Ind As-18 Revenue, Commission on sales are treated as an adjustment to the revenue. Accordingly, Commission amounting to Rs. 17.80 Lacs has been reduced from the sales value and also the same amount has been reduced from the Administration & Selling expenses and it is only presentation.

B. Changes in inventories of Finished Goods & Work-In-Progress

As per Ind As 41- Agriculture produce harvested from an entity's biological assets are measured at its fair value less costs to sell at the point of harvest. Accordingly the value of inventory has been increased by Rs.10.79 Lacs which results into increase in total comprehensive income by Rs.10.79 Lacs.

C. Employee benefit expenses

As per Ind As 19- Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period. Accordingly, the amount of Rs. 1.32 Lacs has been reclassified from the employee benefits to other comprehensive income having no impact on total comprehensive income.

D. Current Tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS with corresponding adjustment to deferred tax liability. Accordingly, the amount of Rs. 0.46 Lacs has been reclassified from the deferred tax liability to other comprehensive income having no impact on total comprehensive income.

E. Deferred tax Liability

Adjustment reflect Deferred tax Liability due to increase in inventory valuation as per Ind AS 41-Agriculture Produce. Accordingly, deferred tax liability has been increased by Rs. 3.74 Lacs with corresponding adjustment to retained earnings.

F. Mat Credit Entitlement

As per Ind As-12 Income Taxes, Unused Tax Credits are treated as deferred tax assets. Accordingly, Unused Tax Credits amounting to Rs. 45.87 Lacs has been adjusted from deferred tax liability.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note No-3(a) Property, Plant and Equipment

(Rs. in Lacs)

Sr. No.	Particulars	GROSS CARRYING VALUE		DEPRECIATION/AMORTISATION			NET CARRYING VALUE				
		As At 01-04-2016	Additions/Adjustment During the Year	Deductions/Adjustment During the Year	As At 01-04-2016	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2017	As At 31-03-2017	As At 31-03-2016	As At 01-04-2015
1	Freehold Land	382.45	1.47	-	-	-	-	-	383.92	382.45	382.45
2	Building	2,096.62	16.65	-	749.56	70.22	-	819.78	1,293.49	1,347.06	1,107.74
	-Factory	55.09	0.46	-	26.83	3.14	-	29.97	25.58	28.26	31.35
	-Administration	9,563.44	378.35	24.21	4,109.56	361.17	15.91	4,454.82	5,462.76	5,453.88	3,779.14
3	Plant & Equipment #	17.75	2.38	-	8.38	1.45	-	9.83	10.30	9.37	5.15
4	Furnitures & Fixtures	141.19	-	-	59.64	15.72	-	75.36	65.83	81.55	70.20
5	Vehicles	65.70	21.87	3.91	43.91	9.35	1.95	51.31	32.35	21.79	14.16
6	Office Equipments	386.68	2.76	-	162.87	23.60	-	186.47	202.97	223.81	102.21
7	Electrical Installation	12,708.92	423.94	28.12	5,160.75	484.65	17.86	5,627.54	7,477.20	7,548.17	5,492.40
	TOTAL	10,270.26	2,485.21	46.55	4,777.86	424.65	41.76	5,160.75	7,548.17	5,492.40	5,152.67
	PREVIOUS YEAR										

#Current year addition includes interest of Rs. 3.17 lacs capitalized as per Ind AS 23-"Borrowing Costs"

Note No-3(b) Intangible assets

Sr. No.	Particulars	GROSS CARRYING VALUE		DEPRECIATION/AMORTISATION			NET CARRYING VALUE				
		As At 01-04-2016	Additions/Adjustment During the Year	Deductions/Adjustment During the Year	As At 01-04-2016	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2017	As At 31-03-2017	As At 31-03-2016	As At 01-04-2015
	Software	32.49	-	-	29.38	1.62	-	31.00	1.49	3.11	8.26
	TOTAL	32.49	-	-	29.38	1.62	-	31.00	1.49	3.11	8.26
	PREVIOUS YEAR	31.26	1.23	-	23.00	6.38	-	29.38	3.11	8.26	13.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

4. LOANS & SECURITY DEPOSITS

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-Current			
a) Security Deposits	129.40	127.27	103.72
b) Loans/Advances to Employees	1.46	2.61	3.03
c) Loan to Company	-	-	365.35
Total	130.86	129.88	472.10
Current			
a) Security Deposits	51.24	51.95	51.63
b) Loans/Advances to Employees	11.15	12.45	14.96
c) Loans to Officers of the company	-	-	0.88
d) Current Portion of Loan	-	-	417.35
Total	62.39	64.40	484.82
Total Loans & Security Deposits	193.25	194.28	956.92

5. OTHER FINANCIAL ASSETS

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Interest Recoverable			
i) On Fixed Deposits with Banks	19.18	16.84	5.62
ii) Others	7.94	7.11	10.62
Total	27.12	23.95	16.24

6. OTHER ASSETS

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-Current			
a) Capital Advances	-	77.06	469.92
b) Advance Income Tax	69.26	68.40	68.40
c) DEBT Service Reserve Account	-	-	103.77
Total	69.26	145.46	642.09
Current			
a) Advances Recoverable in Cash or In kind or for Value to be Received	1,264.97	610.65	354.32
b) Balances with Excise Authorities	23.21	64.25	157.84
d) DEBT Service Reserve Account#	-	103.77	-
Total	1,288.18	778.67	512.16
Total Other Assets	1,357.44	924.13	1,154.25

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

7. INVENTORIES

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
a) Raw Material	125.58	55.63	60.75
b) Work-in-progress	613.73	332.22	287.82
c) Finished Goods	1,147.64	1,309.71	1,132.60
d) Stores & Spares	126.24	100.03	114.23
e) Packing Material	53.33	39.22	47.50
Total	2,066.52	1,836.81	1,642.90

8. TRADE RECEIVABLES

Current

Unsecured

Considered Good	2,023.35	1,866.31	1,226.81
Considered Doubtful	4.43	4.43	235.18
	2,027.78	1,870.74	1,461.99
Less: Provision for Doubtful Receivables	4.43	4.43	235.18
Total	2,023.35	1,866.31	1,226.81

9. CASH & CASH EQUIVALENTS

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash and Cash Equivalents			
i) Balances with Banks (in Current accounts)	258.06	365.43	170.20
ii) Demand deposits	467.91	970.00	250.00
iii) Cash on Hand	14.17	15.75	16.63
Total	740.14	1,351.18	436.83

10. BANK BALANCES OTHER THAN ABOVE

i) Earmarked Balances					
Dividend Account	95.91	90.51		85.84	
ii) Margin Money/Guarantees	7.48	11.28	101.79	16.61	102.45
Total	103.39	101.79		102.45	

11. SHARE CAPITAL

Particulars	(Rs. in Lacs)					
	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number	Amount	Number	Amount	Number	Amount
(i) Share Capital						
<u>Authorised Capital</u>						
Equity Shares of Rs.10/- each	1,50,00,000	1,500.00	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	5,00,000	500.00
		<u>2,000.00</u>		<u>2,000.00</u>		<u>2,000.00</u>
<u>Issued, Subscribed & Paid up</u>						
Equity Shares of Rs.10/- each	1,24,50,000	1,245.00	1,24,50,000	1,245.00	1,24,50,000	1,245.00
Total	1,24,50,000	1,245.00	1,24,50,000	1,245.00	1,24,50,000	1,245.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(ii) Reconciliation of Number of Equity Shares

Particulars	(Rs. in Lacs)					
	Current Year		Previous Year		Previous Year	
	Number	Amount	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	1,24,50,000	1,245.00
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,24,50,000	1,245.00	1,24,50,000	1,245.00	1,24,50,000	1,245.00

(iii) Rights, preferences and restrictions attached to shares

Equity Shares

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

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

Particulars	(Rs. in Lacs)					
	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Uflex Ltd	58,70,000	47.15	58,70,000	47.15	58,70,000	47.15
Anshika Investments Pvt Ltd	12,52,630	10.06	12,52,630	10.06	12,52,630	10.06
Total	71,22,630	57.21	71,22,630	57.21	71,22,630	57.21

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

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

Particulars	(Rs. in Lacs)					
	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Capital Subsidy on						
a) Cold Storage	8.02		9.73		11.44	
b) Individually Quick Frozen and Air Dried Plant	51.72		56.10		60.48	
c) Plastic Crates	3.05		3.38		3.71	
d) Cold Storage (New)	88.82		94.70		100.58	
e) Freeze Drying Cabinet	71.63		74.48		37.50	
f) Zig Zag Classifier	23.56	246.80	-	238.39	-	213.71
Less: Deferred Income Apportioned to Statement of Profit & Loss						
a) Cold Storage	1.71		1.71		1.71	
b) Individually Quick Frozen and Air Dried Plant	4.38		4.38		4.38	
c) Plastic Crates	3.07		0.33		0.33	
d) Cold Storage (New)	5.88		5.88		5.88	
e) Freeze Drying Cabinet	3.08		2.85		0.53	
f) Zig Zag Classifier	0.30	18.42	-	15.15	-	12.83
Total		228.38		223.24		200.88



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

13. BORROWINGS

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non Current			
SECURED			
Term Loan Banks	1,540.86	2,204.19	919.02
Less :- Current Maturities of Long-Term Debt [Refer Note No.17(a)]	510.00	1,030.86	698.32
Total	1,030.86	1,559.06	698.32
Current			
SECURED			
Loan repayable on demand			
From -Canara Bank	1,904.16	1,548.38	1,545.20
From -Allahabad Bank	199.03	248.38	-
Total	2,103.19	1,796.76	1,545.20
Total Borrowings	3,134.05	3,355.82	2,243.52

Notes:

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

Name of the Bank	Sanctioned Amount	O/S As At 31.03.2017	Current Portion	Long Term	Long Term Repayment Terms
Canara Bank #	(300.00)	(135.13)	(135.13)	-	- 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 and it has been fully repaid during the year.
Canara Bank	900.00	269.94	180.00	89.94	Repayable in 60 monthly installments of Rs.15 Lacs each starting from April 2014
Allahabad Bank	1,650.00	1,270.92	330.00	940.92	Repayable in 20 Quarterly installments of Rs.82.50 Lacs each starting from June 2016.
Total	2,550.00	1,540.86	510.00	1,030.86	
Previous Year	(2,850.00)	(2,204.19)	(645.13)	(1,559.06)	

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 has been paid in quarterly installments and the balance amount of Rs. 103.77 Lacs has been adjusted from the Debt Service Reserve account as stated in note no.6 of the financial statements. This loan has been fully repaid & charge satisfied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

14. PROVISIONS

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-Current			
Provision for Leave Encashment	79.35	73.51	71.72
Total	<u>79.35</u>	<u>73.51</u>	<u>71.72</u>
Current			
i) Gratuity	240.39	205.78	191.30
ii) Leave Encashment	9.45	8.34	7.79
Total	<u>249.84</u>	<u>214.12</u>	<u>199.09</u>
Total Provisions	<u><u>329.19</u></u>	<u><u>287.63</u></u>	<u><u>270.81</u></u>

15. INCOME TAXES

Income tax expense in the statement of profit and loss comprise:

Particulars	(Rs. in Lacs)	
	For The Year ended 31.03.2017	For The Year ended 31.03.2016
Income Taxes	263.98	279.34
Deferred Taxes	76.84	194.69
Income tax expense	<u>340.82</u>	<u>474.03</u>

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

Profit before Income Taxes	1,122.15	1,290.53
Enacted Tax Rates in India	33.06%	34.61%
Computed expected tax expense	371.02	446.62
Tax Reversals	(46.06)	9.45
Effect of non-deductible expenses	15.86	17.96
Income tax expense	<u>340.82</u>	<u>474.03</u>

The applicable Indian statutory tax rate for fiscal 2017 and 2016 is 33.063% and 34.608%.

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

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred income tax assets			
Capital Grant	75.51	77.26	68.28
Trade Receivables	1.46	1.53	1.50
Leave Encashment	29.36	28.26	26.98
Gratuity	72.47	70.76	65.02
Bonus	24.40	26.13	11.49
Unused Tax Credits	-	45.87	-
Others	8.53	0.46	-
Total Deferred income tax assets	<u>211.73</u>	<u>250.27</u>	<u>173.27</u>
Deferred income tax liabilities			
Property, plant and equipment	995.55	960.07	692.57
Others	-	3.74	-
Total Deferred income tax liabilities	<u>995.55</u>	<u>963.81</u>	<u>692.57</u>
Deferred income tax liabilities after set off	<u><u>783.82</u></u>	<u><u>713.54</u></u>	<u><u>519.30</u></u>

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

The gross movement in the deferred income tax account for the year ended March 31,2017 and March 31,2016 are as follows:

Particulars	(Rs. in Lacs)	
	As at 31.03.2017	As at 31.03.2016
Net deferred income tax liabilities at the beginning	713.54	519.30
Translation differences		
Credits/(charge) relating to temporary differences	76.84	194.69
Temporary differences on other comprehensive income	(6.55)	(0.46)
Net deferred income tax liabilities at the end	<u>783.82</u>	<u>713.54</u>

16. TRADE PAYABLES

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Suppliers	952.12	1,038.44	605.56
Due to Suppliers Under MSMEDA*	22.64	-	-
Due to Related Parties	12.23	-	-
Total	<u>986.99</u>	<u>1,038.44</u>	<u>605.56</u>

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

Sl. No.	Particulars	As at 31.03.2017
1	Principal amount due and remaining unpaid	Nil
2	Interest due on (1) above and the unpaid interest	Nil
3	Interest paid on all delayed payment under the MSMED Act	Nil
4	Payment made beyond the appointed day during the year	Nil
5	Interest due and payable for the period of delay ther than (3) above	Nil
6	Interest accrued and remaining unpaid	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil

17. OTHER FINANCIAL LIABILITIES

Sl. No.	Particulars	(Rs. in Lacs)		
		As at 31.03.2017	As At 31.03.2016	As At 01.04.2015
a)	Current Maturities of Long-Term Debt (Refer Note No.13)	510.00	645.13	220.70
b)	Interest Accrued but not due on borrowings	14.66	4.95	7.21
c)	Unclaimed Dividend #	95.91	90.51	85.84
d)	Security Deposit from Customers	5.90	5.40	4.90
e)	Capital Creditors	54.30	29.54	9.71
Total		<u>680.77</u>	<u>775.53</u>	<u>328.36</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 2017

18. CURRENT TAX LIABILITIES

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Current Tax	96.34	38.35	222.84
Provision for Wealth Tax	-	38.35	0.42
	<u>96.34</u>	<u>38.35</u>	<u>223.26</u>

19. OTHER LIABILITIES

Particulars	(Rs. in Lacs)		
	As at 31.03.2017	As At 31.03.2016	As At 01.04.2015
Current			
a) Advance Received from Customers	5.16	0.31	0.15
b) Statutory Liabilities	201.35	205.49	130.66
c) Other Liabilities	16.66	13.83	14.69
Total	<u>223.17</u>	<u>219.63</u>	<u>145.50</u>

20. REVENUE FROM OPERATIONS

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
a) Sale of Products	8,095.31	7,898.83
b) Other Operating Revenues		
i) Export Incentive	230.47	295.22
ii) Transport Assistance Scheme	23.25	12.63
iii) Deferred Income on Capital Grant	18.42	15.15
iv) Refund of Power Tariff	98.16	-
v) Refund of Service Tax	25.89	15.20
vi) Sale of Miscellaneous Items	25.75	31.59
Total	<u>8,517.25</u>	<u>8,268.62</u>

21. OTHER INCOME

a) Interest Income			
From Banks	67.50	16.37	
From Others	8.97	104.40	120.77
b) Exchange Rate Fluctuation (Net)	106.84		118.04
c) Miscellaneous Income	2.21		0.60
d) Sundry Balances Written Back	1.41		2.89
Total	<u>186.93</u>		<u>242.30</u>

22. COST OF MATERIAL CONSUMED

Opening Stock	55.63	60.75
Add: Purchases	1,674.21	1,663.22
	<u>1,729.84</u>	<u>1,723.97</u>
Less: Closing Stock	125.58	55.63
Raw Material consumed	<u>1,604.26</u>	<u>1,668.34</u>
Less:		
Material Under Insurance Claim	248.79	-
	<u>1,355.47</u>	<u>1,668.34</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****23. (INCREASE)/DECREASE IN FINISHED GOODS & WORK-IN-PROGRESS****(Rs. in Lacs)**

Particulars	For the Year Ended 31.03.2017		For the Year Ended 31.03.2016	
Closing Stock				
Finished Stock	1,147.64		1,309.71	
Work-In-Progress	613.73	1,761.37	332.22	1,641.93
Opening Stock				
Finished Stock	1,309.71		1,132.60	
Work-In-Progress	332.22	1,641.93	287.82	1,420.42
Total		(119.44)		(221.51)

24. EMPLOYEES BENEFIT EXPENSES

a) Salaries, Wages, Benefits & Amenities	1,402.82	1,279.88
b) Contribution to Provident Fund	66.15	62.39
c) Gratuity Fund Contribution (Refer Note No.29)	41.20	39.36
d) Employees Welfare Expenses	32.59	36.63
Total	1,542.76	1,418.26

25. FINANCE COST

Interest		
i) On Secured Loans	235.16	132.05
ii) On Working Capital	78.56	75.58
iii) On Shortfall in payment of Advance Tax	5.90	30.52
Discounting & Bank Charges	163.26	127.42
Total	482.88	365.57

26. MANUFACTURING EXPENSES

Power & Fuel Consumed	1,221.15	1,130.64
Repair & Maintenance - Machineries	156.11	144.59
Stores, Spares, Tools, Jigs & Dies Consumed	129.33	109.50
Labour Charges	213.50	85.17
Sorting & Picking Charges	230.47	248.55
Tractor Hire & Shifting Charges	140.22	159.01
Others Manufacturing Expenses	34.94	34.71
Total	2,125.72	1,912.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017
27. ADMINISTRATION & SELLING EXPENSES
(Rs. in Lacs)

Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Power & Fuel	32.39	109.36
Insurance Charges	69.95	50.78
Postage & Telephone Expenses	29.10	25.89
Vehicle Hire, Running & Maintenance Expenses	44.25	36.44
Conveyance & Travelling Expenses	158.41	183.51
Repair & Maintenance - Building	24.16	22.20
Repair & Maintenance - Others	25.98	25.64
Legal & Professional Charges	118.41	100.20
General Expenses	146.58	126.09
CSR Expenditure	41.85	19.58
Charity & Donation	0.28	1.80
Rates & Taxes	1.42	2.49
Loss on Sale of Fixed Assets (Net)	7.12	0.71
Sundry Balance written off	64.72	48.26
Rebate & Discount	-	0.67
Sample Testing Charges	54.72	32.79
Packing & Forwarding Charges	315.16	319.55
Freight Outward	558.56	540.57
Total	<u>1,693.06</u>	<u>1,646.53</u>

28. EARNINGS PER SHARE (EPS)

a) Profit for the year (Rs. In Lacs)	784.54	816.51
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.)	6.31	6.56

29. GRATUITY & POST EMPLOYMENT BENEFIT

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

Particulars	(Rs. in Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
a) Reconciliation of opening and closing balances of obligation				
Obligation at beginning of the year	439.54	393.81	81.85	79.51
Current Service Cost	24.74	24.05	8.44	9.04
Interest Cost	35.16	31.50	6.55	6.37
Actuarial (gain) /loss	19.43	3.00	14.09	3.99
Less: Benefits paid	22.70	12.82	22.13	17.06
Obligation at the end of the year	<u>496.17</u>	<u>439.54</u>	<u>88.80</u>	<u>81.85</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	(Rs. in Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
b) Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year	233.76	202.51	-	-
Employer contribution	26.48	26.19	-	-
Less: Benefits Paid	22.70	12.82	-	-
Add: Expected return on plan assets	18.70	16.20	-	-
Add: Actuarial Gain/(Loss) on plan assets	(0.46)	1.68	-	-
Fair value of plan assets at the end of the year	255.78	233.76	-	-
c) Amount Recognized in Balance Sheet				
Present value of obligation	496.17	439.54	88.80	81.85
Less: Fair value of plan assets	255.78	233.76	-	-
Amount recognized in Balance Sheet	240.39	205.78	88.80	81.85
d) Gratuity & other Post Employment benefit cost for the period				
Current Service Cost	24.74	24.05	8.44	9.04
Interest Cost	35.16	31.50	6.55	6.37
Expected return on plan assets	(18.70)	(16.20)	-	-
Actuarial (gain) /loss	-	-	14.09	3.99
Net amount recognized in Statement of Profit & Loss	41.20	39.35	29.08	19.40
e) Gratuity & other Post Employment benefit cost for the period				
Remeasurement of the net defined benefit liability/assets				
Actuarial (gains)/losses	19.89	1.32	-	-
Net amount recognized in Statement of other comprehensive income	19.89	1.32	-	-
f) Principal actuarial assumption at the Balance Sheet date:				
Interest Rate	7.55%	8.00%	7.55%	8.00%
Salary Escalation	5.55%	6.00%	5.55%	6.00%

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 31.03.2017	For the Year Ended 31.03.2016
Domestic Revenue #	2,345.99	3,005.86
Export Revenue:		
USA##	307.73	367.95
Europe##	5,678.03	4,723.57
Asia	19.56	127.99
Others	0.22	0.26
Total	8,351.53	8,225.63

Includes sales of Miscellaneous Items amounting to Rs.25.75 Lacs (previous year Rs.31.59 Lacs) shown under - Note No. -20 (b)(vi)

Includes three major customers having revenue from them of more than 10% of the total revenue amounting to Rs. 5408.64 Lacs (previous year Rs.4326.83 Lacs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

31 PAYMENT TO AUDITORS		(Rs. in Lacs)	
Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016	
a) Statutory Audit	11.00	8.50	
b) Tax Audit	3.50	2.80	
c) Certification & other services	4.63	4.11	
d) For Reimbursement of Expenses	0.89	1.04	
Total	20.02	16.45	

32 CONTINGENT LIABILITIES AND COMMITMENTS		(Rs. in Lacs)	
Particulars	As at 31.03.2017	As at 31.03.2016	
a) Contingent Liabilities			
i) Claims against the company not acknowledged as debt :			
Demands raised by the Income Tax department, which are under appeal	85.62	102.25	
Demand raised by Customs & Central Excise Department which are contested by the company (Including interest & Net of Demand Deposits).	779.50	865.12	758.50
Guarantees Issued by the Bank (Net of Margin)	64.26	61.05	
iii) Import Duty Obligations on Outstanding Export Commitments under EPCG	168.89	461.33	
iv) Retrospective Payout for Payment of Bonus for the Financial Year 2014-15 has not been provided for in the Books of Accounts based on the matter being contested by third parties and/or stay granted by various High Courts of India in respect of this matter.	39.28	39.28	
Total (a)	1,137.55	1,422.41	
b) Commitments			
Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for in the Books of Accounts.	51.07	123.79	
Total (b)	51.07	123.79	

33 RELATED PARTY TRANSACTION

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

(A) List of Related Parties
i) Enterprise for which Reporting Enterprise is an Associate:

Uflex Limited

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

Shri.Ashok Chaturvedi ,Chairman (and his relatives)

iii) Key Management Personnel:

- 1) Shri S.K. Kaushik, Whole-time Director (and his relatives)
- 2) Shri Bhagwati Prashad Sharma, Manager (ceased w.e.f. 05.07.2016 (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) A.L. Consultants Pvt. Ltd, 12) Magic Consultants Pvt. Ltd., 13) Kaya Kalpa Medical Services Pvt. Ltd., 14) AC Infrastructures Pvt. Ltd., 15) Ultimate Infratech Pvt. Ltd., 16) SD Buildwell Pvt. Ltd., 17) Niksar Finvest Pvt. Ltd., 18) Refex Energy (Rajasthan) Pvt. Ltd., 19) Ganadhipati Infraproject Pvt. Ltd., 20) Nirman Overseas Pvt. Ltd., 21) Sungrace Products (India) Pvt. Ltd., 22) A.R. Airways Pvt. Ltd., 23) Virgin Infrastructures Pvt. Ltd., 24) Modern Info Technology Pvt. Ltd., 25) Liberal Advisory Services Pvt. Ltd., 26) East Coast Star Hotel Pvt. Ltd., 27) Minor Hotels

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Pvt. Ltd.,28) Saga Realtors Pvt. Ltd. 29) Club One Airways Pvt. Ltd., 30) Gangotri Management Pvt. Ltd.,31) Manpasand Marketing Pvt. Ltd.,32) Bundelkhand Projects Pvt. Ltd.,33) USC Hologram Pvt. Ltd.,34) Flex Industries Pvt. Ltd.,35) UFLEX Europe Ltd., 36) Flex Americas S.A.de C.V. Mexico, 37) Flex P. Films Egypt S.A.E.(Egypt), 38) Flex Films Europa Sp. Z.o.o., Poland, 39) Flex Films (USA) Inc., 40) Flex P. Films (Brasil) Comercio De Filmes Plasticos LTDA (upto 28.03.2017), 41) UFlex Packaging Inc USA, 42) UPET Holdings Limited, Mauritius, 43) UPET (Singapore) Pte Ltd, 44) First Flexipack Corporation, 45) Flex Middle East FZE, 46) Ultra America Inc., 47) A-One Catering LLP (w.e.f. 05.07.2016), 48) Ultimate Flexipack Ltd., 49) Ultimate Prepress LLP, 50) Naveli Collections Pvt. Ltd.

(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	45.01 (39.55)	-	-	-
ii) Re-imburement for Purchase of Fixed Assets	2.84 (-)	-	-	-
iii) Loan Given	- (-)	-	-	-
iv) Loan Received Back	- (-)	-	-	-
v) Interest Received during the year	- (-)	-	-	-
vi) Dividend Paid	146.75 (132.08)	1.32 (1.18)	0.002 (0.002)	37.68 (33.91)
vii) Reimbursement of Expenses	12.48 (5.94)	-	1.13 (1.80)	-
viii) Remuneration	- (-)	-	56.08 (51.60)	-
ix) Sitting Fees	- (-)	1.25 (1.75)	- (2.25)	-
Balance Outstanding at the end of the year (Credit)	12.23 (-)	-	-	-
Outstanding Guarantee against Term Loans and working capital facilities		3,644.05 (4,000.95)		

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

34. INFORMATION IN RESPECT OF CSR EXPENDITURE REQUIRED TO BE SPENT BY THE COMPANY

(Rs. in Lacs)

Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
i) Gross Amount required to be spent by the Company	27.63	23.57
ii) Amount spent during the year on :		
a) Construction / acquisition of any asset	-	-
b) On purpose other than (i) above	41.85	19.58
iii) Amount payable as at Year End	0.65	-

35. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNS and other notes as per the notification is given below:

(Rs. in Lacs)

Particulars	SBNS*	Other determination notes	Total
Closing cash in hand as on November 8, 2016	6.79	1.44	8.23
(+) Permitted receipts	-	24.69	24.69
(-) Permitted payments	-	24.34	24.34
(-) Amount deposited in Banks	6.79	-	6.79
Closing cash in hand as on December 30, 2016	-	1.79	1.79

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

36. In the opinion of the board and to the best of their knowledge, value of realisation of assets, other than property, plant & equipment in the ordinary course of the business, would not be less than the amount at which they are stated in the balance sheet.
37. Necessary disclosures under Micro, Small and Medium Enterprises Development Act 2006, could not be considered for previous years as the relevant information to identify the suppliers who were covered under the said Act were not received from such parties during the previous years.
38. Balances of some of the parties are subject to reconciliation & confirmations.
39. Due to change in power tariff of mushroom cultivation farm from rate schedule which was applicable for light and heavy industries to rate schedule applicable on agriculture allied activities, for the same refund from Uttarakhand Power Corporation Limited is receivable amounting to Rs. 242.74 Lacs pertains to the financial year 2015-16 & 2016-17. Out of which Rs. 96.18 Lacs pertains to the financial year 2015-16 has been recognized as income under the statement of profit & loss and balance amounting to Rs. 146.56 Lacs pertains to the financial year 2016-17 has been adjusted from power & fuel cost in current financial year.
40. 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; property, plant & equipment and Stock of the Company amounting to Rs. 42.56 Lacs & Rs. 248.79 Lacs respectively were destroyed, which is fully covered under the Insurance Policies undertaken by the Company. The Company has already filed the claim for the same with the Insurance Company.
41. The Board of Directors of the company has recommended a final dividend of Rs. 2.50 (Previous Year Rs. 2.50) per share aggregating to Rs.374.61 Lacs (Previous Year Rs. 374.61 Lacs) (including the dividend distribution tax of

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Rs.63.36 Lacs) (Previous Year Rs. 63.36 Lacs)) for the Financial Year ended 31st March 2017 subject to the approval of the shareholder in the ensuing Annual General Meeting.

42. FINANCIAL INSTRUMENTS**Financial Instruments by category:**

The carrying value and fair value of financial instruments by categories as of March, 31 2017 & as of March, 31 2016 were as follows:

(Rs. in Lacs)						
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value	Total fair value
Assets						
Cash and cash equivalents	CY	843.53	-	-	843.53	843.53
(refer note no 9&10)	PY	1452.97	-	-	1452.97	1452.97
Trade Receivables	CY	2023.35	-	-	2023.35	2023.35
(refer note no 8)	PY	1866.31	-	-	1866.31	1866.31
Loans & Security Deposits	CY	193.25	-	-	193.25	193.25
(refer note no 4)	PY	194.28	-	-	194.28	194.28
Other financial assets	CY	27.12	-	-	27.12	27.12
(refer note no 5)	PY	23.95	-	-	23.95	23.95
Total	CY	3087.25	-	-	3087.25	3087.25
	PY	3537.51	-	-	3537.51	3537.51
Liabilities						
Trade payables	CY	986.99	-	-	986.99	986.99
(refer note no 16)	PY	1038.44	-	-	1038.44	1038.44
Other financial liabilities	CY	680.77	-	-	680.77	680.77
(refer note no 17)	PY	775.53	-	-	775.53	775.53
Total	CY	1667.76	-	-	1667.76	1667.76
	PY	1813.97	-	-	1813.97	1813.97

Financial Risk Management :

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Credit Risk:

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

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

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

Particulars	Current Year	Previous Year
Sale to top customer	40%	27%
Sale to top five customers	73%	71%

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

Liquidity Risk

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

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

Contractual maturities of financial liabilities are given as under:

Particulars	As at 31st March 2017	(Rs. in Lacs)	
		Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	3644.05	2613.19	1030.86
Trade payables	986.99	986.99	-
Other Financial Liability	170.77	170.77	-
Other Liabilities	223.17	223.17	-
Current Tax Liability	96.34	96.34	-

Interest Rate Risk :

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

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

The borrowings of the company amounting to Rs. 3644.05 Lacs as on 31.03.2017, which is linked with the Base Rate of the Banks.

Based on the structure of debt as at year end, a one percentage point increase in the debt would cause an additional expense in the net financing cost of Rs. 36.44 Lacs.

Foreign Exchange Risk :

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

The company imported goods for insignificant amounts on trade account. Approximately 75% of revenue were earned in foreign currency due to nature of business being exports. In a way, Company is a net foreign exchange earner.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Based on one percentage point variations in the exchange rate, the profit for the year based on the foreign currency transaction entered during the period will be effected by 4.97%.

Commodity Price Risk :

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

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

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

Note : Signatories to Notes 1 to 42

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 LLP
Chartered Accountants
Converted from Jain Singhal &
Associates on 25.04.2017
Firm Registration No.005839N/
N500066

M.M. Varshney
Sr. Vice president

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Bhawna Khanna
Partner
Membership No.502428

Place : NOIDA
Dated : 29th May, 2017



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

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

ATTENDANCE SLIP

27th 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 27th Annual General Meeting of the Company to be held on **Saturday, 12th August, 2017 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 27th Annual General Meeting of the Company to be held on **Saturday, 12th August, 2017 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
1	To adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017		
2	To declare the dividend for the year 2016-2017		
3	To appoint a Director in place of Shri Ravinder Kumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.		
4	Appointment of M/s MJMJ & Associates LLP, Chartered Accountants as Statutory Auditor of the Company.		

Signed this.....day of.....2017

Affix Revenue stamp

Signature of Proxy holder(s)

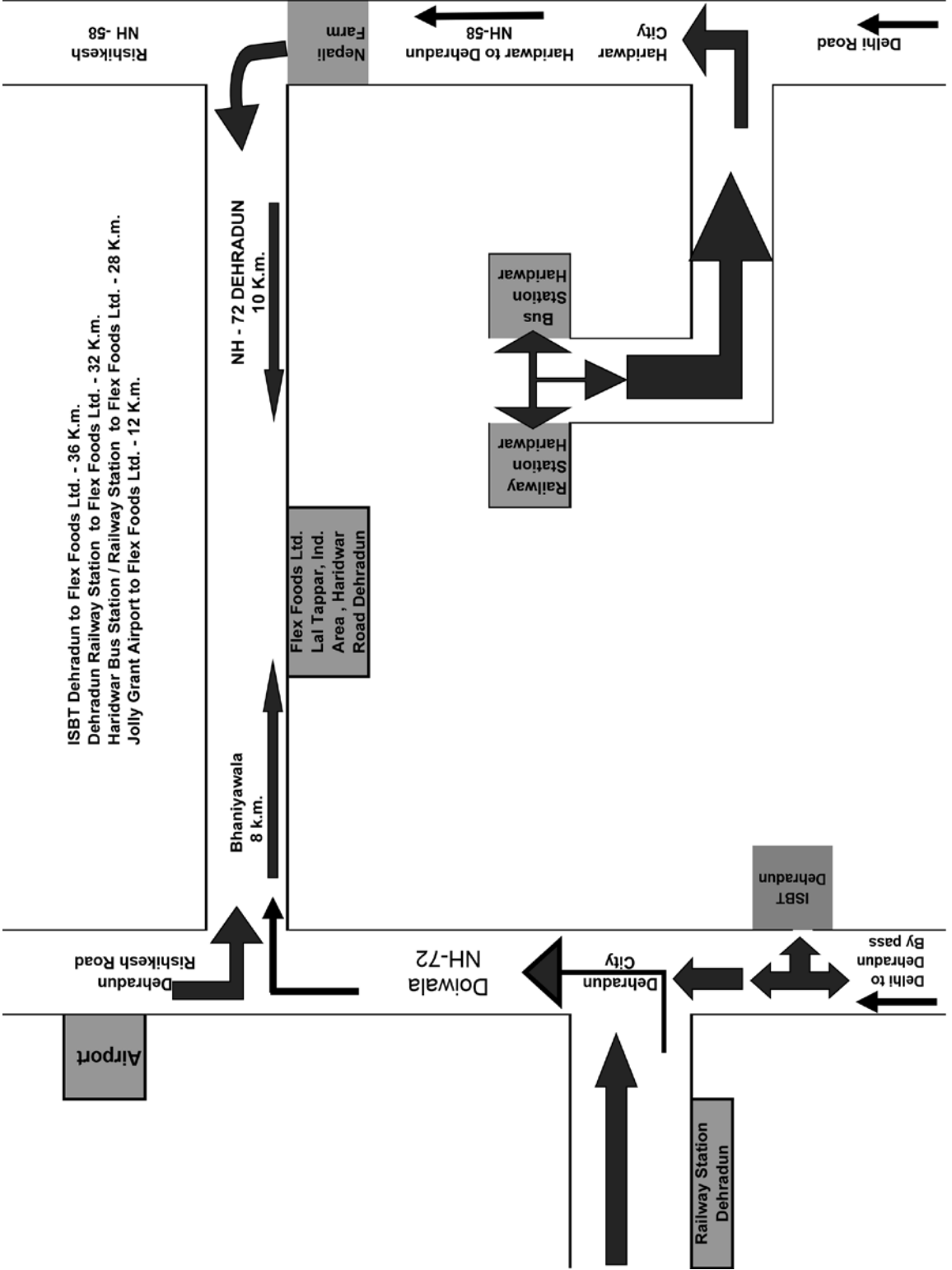
Signature of the Shareholder

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

2. For Resolutions and Notes, please refer to the Notice of 27th 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 DEHRADUN
 10 K.m.

Bhaniyawala
 8 k.m.

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

Rishikesh
 NH -58

Haridwar
 Haridwar to Dehradun
 NH-58

Delhi Road

Bus
 Station
 Haridwar

Railway
 Station
 Haridwar

ISBT
 Dehradun

Doiwala
 NH-72

Dehradun
 City

Dehradun
 By pass

Airport
 Dehradun

Railway Station
 Dehradun

