

**TRANSCRIPT OF THE 32<sup>nd</sup> ANNUAL GENERAL MEETING OF FLEX FOODS LIMITED HELD ON FRIDAY, 05<sup>TH</sup> AUGUST, 2022 AT 3.00P.M. THROUGH VIDEO CONFERENCING**

Mr. Rajesh Dheer - Good After Noon, Ladies and Gentlemen

I am Rajesh Dheer, Company Secretary of your company. On behalf of the directors, I welcome all the members and stakeholders to the 32<sup>nd</sup> Annual General Meeting of Flex Foods Limited being held today August 05, 2022.

This Annual General Meeting is also being held through Video Conferencing / other audio visual means in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

This facility of holding AGM through Video Conferencing / other audio visual means is made available to 1000 members on first come first serve basis. In addition large shareholders, institutional investors, directors, Key Managerial Personnels, Statutory Auditors, Secretarial Auditors etc. can also join.

Let me now, introduce our Board Members, Executives and other members on the panel, who have joined us for the meeting:

Mrs. Indu Liberhan, an Independent Director and Chairperson of Audit Committee. Meeting

Mr. Rahul Razdan Whole-time Director

Mr. Naval Duseja, CFO

Mr. Mahesh Kumar Gupta, Practicing Company Secretary - the Secretarial Auditors, and

Mr. S P Gupta of M/s Beetal Financial & Computer Services Pvt Ltd is joining as a host for this Annual General Meeting.

We, welcome all the Board Members and other panelists for being with us today.

Mr. Ashok Chaturvedi, Chairman of the Company, could not join the meeting due to certain exigencies and therefore, directors have proposed Mrs. Indu Liberhan to be the chairperson for this meeting in accordance with Article 53 of Article of Association.

The participation of members through Video Conference is being reckoned for the purpose of quorum as per circular issued by Ministry of Corporate Affairs.

Quorum for the meeting is being present, I request the Chair to call the meeting to order. Mam - Mrs. Indu Liberhan

Mrs, Indu Liberhan – Thank You Good Morning everyone Quorum is present and I call the meeting to order

Dear Shareholders,

It gives me immense pleasure to share with you our performance for the year and prospects on the way forward. I appreciate your support and confidence in us, which enthuse us to work harder towards creating greater value in the Food Processing industry.

The pandemic, as it progressed into the second year, continued to test us all. However the Company has not been materially impacted by the coronavirus as of now.

The Indian food processing industry is evolving rapidly with rise of newer product segments. This trend is an indicator of shift in consumer preference for processed food. The industry is thus expected to witness an expansion by product types and geographies. The food processing industry was among the least impacted sectors across most segments.

The importance of healthier and sustainable food ecosystem continues to find increasing importance today, than it was ever before.

The food processing industry is of enormous significance for India's development because of the vital linkages and synergies it promotes between the two pillars of our economy, industry and agriculture. Rapid growth in the food processing sector and simultaneous improvement in the development of value chain are also of great importance to achieve favourable terms of trade for Indian agriculture both in the domestic and the international markets

Major selling product of the Company is Processed Mushrooms. The global mushroom market size was valued at USD 50.3 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 9.7% from 2022 to 2030. The increasing vegan population demanding a protein rich diet around the globe is expected to be a key driver for the Market over the forecast period.

During the year your company achieved the total revenue of Rs. 112.23 crores.

EBIDTA and Net Profit stood at Rs. 20.01 crores and Rs.9.12 Crores.

Taking into performance and future fund requirements of the Company, your Board of Directors has recommended a Dividend @ Rs.1.00/- (i.e. 10%) per share for FY 2021-22.

India's food processing and food retail industry is poised to grow at rapid pace. India is one of the largest producers of numerous food categories such as Dairy, Cereals, Fruits and Vegetables (FandV), Animal Proteins, Fishes, Spices and Tea.

Indian food processing industry holds tremendous growth potential and has gained impetus due to the pandemic.

Keeping in mind of the growth opportunities in the sector and to meet the growing demand of Company's Product your company has filed an industrial Entrepreneurs' Memorandum, for setting up a new project for Air Drying/ Freeze Drying of Vegetables, Fruits, Culinary Herbs and Spices at Krishnagiri in Tamil Nadu.

The company has a team of experienced and qualified personnel to support it's operations. The company strongly believes that Human Resources are key drivers for the change and critical to drive the growth of any organization. The company is thankful to all it's employees who have worked relentlessly for the better performance of the company.

On behalf of the Company, I extend sincere gratitude to all the shareholders, vendors, customers, dealers and business associates and other stakeholders namely Central and State Government, banks, Government Agencies and Non-Government Institutions for providing help to the company. I also express my sincere appreciation to my colleagues on the Board and the Management Team for their invaluable contribution.

I thank you all for being with us today.

Now I will request Mr. Rajesh Dheer, Company Secretary to continue with proceedings of AGM.

Mr. Rajesh Dheer - With the permission of Chair, let me quickly take you through the general instructions to members for participation in this meeting.

- a. The Facility of Joining this Meeting through VC is made available to 1000 members of the company on First Come First Serve Basis. In addition large shareholders, Directors, KMPs and Institutional Investors can also join the meeting.
- b. Registered Office of the company at Dehradun will be deemed venue for the meeting and all the proceedings of AGM shall be deemed to be made thereat.
- c. Register of Directors and Key Managerial Personnel and the Register of Contracts are available electronically, at the website of the Company, for inspection of the members during the AGM.
- d. Pursuant to MCA circulars, the facility for appointment of proxy by the members is not applicable and therefore, the proxy register is not available for inspection. Similarly facility for voting by show of hand is not available.
- e. The Company had provided the facility to cast votes electronically via remote e-voting on all resolutions set forth in the notice from 2<sup>nd</sup> August (9:00 a.m.) 2022 to 4<sup>th</sup> August (5:00 p.m.), 2022
- f. Members who have not casted their votes via remote e-voting and who are participating in this meeting will now have an opportunity to cast their votes today through the e-voting system provided by CDSL.
- g. E-voting facility is already open for Members to cast their vote and shall be available for 30 minutes after this meeting.
- h. The Board of Directors has appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary, as Scrutinizer to supervise the e-voting process. He is also present as a panelist.
- i. The resolutions set forth in the notice shall be deemed to be passed today, subject to receipt of requisite majority votes. The results of this AGM will be posted on Web-site of the company, sent to stock exchange and also given to service provider.

Notice of AGM alongwith Directors Report, Statutory Auditors & Secretarial Auditors Report and Annual Accounts for year 2021-22 have been sent to you within statutory prescribed time. Also, in accordance with circulars of MCA company has given mandatory pre & post-dispatch advertisements regarding the AGM.

On account of paucity of time, we take the notice dated May 26, 2022 of AGM as read. Also, there are no qualification, observations, adverse remarks in reports of Statutory

Auditors and Secretarial Auditors for Financial Year 2021-22. These reports being unqualified are being taken as read too.

Business to be transacted through e-voting at the meeting today is:-

1. To consider and adopt Annual Audited Financial Statements for the financial year ended 31st March, 2022, the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year 2021-2022 on the equity shares of the Company.
3. To appoint a Director in place of Mr. Rajeev Sharma, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013) as Statutory Auditors of the Company and to fix their remuneration.
5. To re-appoint Smt. Indu Liberhan as Independent Director of the Company for the second term of 5 (Five) consecutive years

(Smt. Indu Liberhan being interested in the item No. 5, therefore Mr. Rahul Razdan will be deemed to be Chairperson for the meeting)

I would like to bring to the notice of penalist and the shareholders that the company has received several request from the shareholders to be speakers and ask certain common questions.

To answer to these queries from the Shareholders, I request Mr. Naval Duseja, CFO, of your company to address these.

Mr. Naval Duseja, please

Mr. Naval Duseja - Good afternoon, on the basis of questions received from few shareholders, who have written to the Company.

Number one With respect to, key growth drivers in our business& low growth since FY12.- We had limited capacity and now we are expanding and put up the new facility at Hosur which is about to start production and that will improve the top and bottom line Because of limited capacity and we had exclusivity arrangements and now we are opening new markets and trying to get better top line

With respect to 20% EBITDA in most of the years which is high margin.-Yes we have maintained the high EBITA in the past few years and are still trying to maintain the same but there are few challenges this year with the currency and high raw material prices

With respect to high inventory in the past years and which has come down now and future scope - We have now increased the market base and new buyers and that has helped the company to reduce the inventory holding period. We are still working to reduce it further but since this is an agri crop and seasons are there so we need to ensure we are adequately covered for the future orders.

With respect to our major products & mushroom as a major product--Mushroom is not a major product for us as we have Herbs which are major and growing in sales and also from south we will be concentrating on Fruits and vegetables.

Regarding the names of our top 5 customers who contribute close to 70% of our revenues. --- We cannot reveal customers name, but we are now expanding our network and we will be bringing in more customers as we have increased our sales people and are concentrating on new markets.

With Respect to percentage of the business which comes from Retail and HORECA- At present we are in B2B category

Regarding capacity of our business and how much was our capacity utilisation in FY22- We are utilising 100 % of FD capacity in Dehradun and we have some scope in AD which we are trying to fill by adding on new crops , hopefully we will be able to sell our south India capacity as well.

Our company is doing a large capex in south. As desired by shareholders, We share some insights on the same. Since our capacity in North India is fully booked for the last couple of seasons so we have internally discussed and decided to expand in south India where we will be concentrating on traditional herbs and also fruits and vegetables which is a new line and we have added people in sales to expand to new markets and to get new buyers . We are trying to maintain high margins but there are challenges in the markets with high Inflation in west, currency fluctuation and also shipping concerns and freight of course is also becoming a big factor. We are funding our south project through internal accruals and loans for bank and we are hopeful to sell this new capacity.

Regarding our realisation fell by more than 10% in FY22. What was the reason for the same despite high inflation in the food sector? --

There are challenges in terms of foreign exchange fluctuations and high ocean freights but we are trying to get price increases and this challenge we should be able to overcome in next few months hopefully

Regarding long term Vision of the company--- We would like to grow this business and our vision is once we sell of the present capacity we are intending to have one more expansion in south India and we always needs support and blessings from shareholders and all others who are associated with Flex foods.

Mr. Rajesh Dheer -- We now take up the questions from the shareholders, I understand there are a few shareholders, who have written to the Company and are desirous to ask some questions ad we will take a couple of them. In future too, if you have any questions please send your queries to the company on email and we will try to address them suitably. Now, I request Mr. S.P. Gupta to have speakers un-muted one by one.

Mr. Nikhil Sharma -- Tamilnadu mein jo plant khula hai uskey liye congratulation. Mera question hai ki Tamilnadu mein joh plant khulla usmey koi naya product add hoga Achar, mushroom key alawa.

Mr. Naval Duseja -- Bilkul Nikhil jee, humara jo South mein project araha hai abhi tak hum mushroom and herbs main deal kar rahey the, hum naye fruits and vegetable Ki market mein jarahe hain, humarey naye products bahut rarey hongey jaisey fruits and vegetables.

Mr. Nikhil Sharma - Ek aur question hai. Joh naya plant lagega aur profit hoga kya company dividend degi?

Mr. Naval Duseja - Bilkul, humara vision hai we will be adding more to our business. Hum South main expansion karaingey. Hamey apka suppot aur blessing chahiyain.

Thank you

Mr. Rajesh Dheer - Aur koi hai jee?

S.P. Gupta - Thank you Nikhil jee, koi aur speaker nahi hain.

Mr Rajesh Dheer - I do hope that this answers queries from most of the shareholders yet if you have some other queries please write to the company and we will reply these suitably.

While thanking all the Shareholders/Directors and other stakeholders who have taken their time to attend this meeting through Video Conferencing, I propose, a Vote of thanks to the Chair.

With wish you all to stay healthy and safe, THANK YOU.