

TRANSCRIPT OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING OF FLEX FOODS LIMITED HELD ON FRIDAY, 24<sup>TH</sup> SEPTEMBER, 2021 AT 3.00P.M. THROUGH VIDEO CONFERENCING

Mr. Rajesh Dheer - Good Afternoon, 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 31<sup>st</sup> Annual General Meeting of Flex Foods Limited being held today September 24, 2021.

Due to COVID -19 this Annual General Meeting is being held through Video Conferencing / other audio visual means in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. We hope that you and your dear ones are safe and healthy during this health emergency.

Let me now, introduce our Board Members, Executives and other members on the penal, 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. M.M. Varshney, Whole Time Director

Mr. Paresh Nath Sharma, Independent Director and Chairperson of Stakeholders Relationship Committee and Nomination and Remuneration Committee

Mr. Naval Duseja, CFO

Mrs. Megha Jain Partner M/s. MJMJ & Associates, LLP, Chartered Accountants, the Statutory Auditors

Mr. Mahesh Kumar Gupta, Practising 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.

I will now read out the Chairperson's speech.

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 Covid-19 pandemic has impacted the businesses around the world, including India. However the Company has not been materially impacted by the coronavirus as of now. The Company's business falls in the essential commodities and therefore company has not seen any material impacts on its business activities for the financial year under report. Though, impact of Corona Virus on human health and economy is uncertain and cannot be predicted yet company is determined to minimize adverse impact on the business

Economic Review-

The global economy witnessed a health crisis with the outbreak of the COVID -19 pandemic, which took an extraordinarily heavy toll on the world economy during the year 2020-21.

The growth in India's real GDP during 2020-21 is estimated at -7.3 per cent as compared to the growth rate of 4.0 per cent in 2019-20.

Despite the pandemic, the Food Processing market size is projected to grow rapidly. The growth of the market can be attributed to the increasing demand for processed foods across the globe.

The food processing industry forms a major part of India's economy and India's rich agricultural base has potential to add significant value to the food processing sector.

The performance of your company during this period-

Your Company's performance during the year was robust and crossed the figure of Rs. 100 Crores by achieving the revenue of Rs. 105.45 crores.

EBIDTA and Net Profit increased by about 67% and 77 % respectively as compared to the previous year and stood at Rs. 22.72 crores and Rs.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 2020-21.

Future outlook-

Indian food processing industry holds tremendous growth potential and has gained impetus due to the pandemic. Also the Food processing sector in India has been identified as a priority sector and various schemes of the Government of India are clearly aimed at providing the renewed thrust in the sector and thus augurs very well for the rapid growth of the sector which is expected to double from USD 263 billion in 19-20 to USD 535 billion in 2025. Demand of processed food product is increasing day by day.

Keeping in mind of the growth opportunities in the sector and to meet the growing demand of Company's Product your company has taken steps to enhance production capacities by setting up new plant in the state of Tamil Nadu for Freeze dried and Air dried fruits and vegetables. We hope to have better results in the coming years.

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

Thank You

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

The Facility of Joining this Meeting through Video Conference 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.

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.

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.

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.

The Company had provided the facility to cast votes electronically via remote e-voting on all resolutions set forth in the notice from 21<sup>st</sup> September (9:00 a.m.) to 23<sup>rd</sup> September (5:00 p.m.)

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. E-voting facility is already open for Members to cast their vote and shall be available for 30 minutes after this meeting.

The Board of Directors has appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary, as Scrutinizer to supervise the e-voting process. He also present on the panel.

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 2020-21 have already 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 August 24, 2021 of AGM as read. Also, there are no qualification, observations, adverse remarks in reports of Statutory Auditors and Secretarial Auditors for Financial Year 2020-21. These reports being unqualified are being taken as read too.

#### Business of AGM

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

To consider and adopt Annual Audited Financial Statements as at 31<sup>st</sup> March, 2021, the reports of the Board of Directors and the Auditors thereon;

To declare dividend for the year 2020-2021.

To appoint a Director in place of Mr. Madan Mohan Varhney, who retires by rotation and being eligible offers himself for re-appointment.

To Appoint Mr. Rahul Razdan as a Regular Director liable to retire by rotation.

To appoint Mr. Rahul Razdan as Whole-time Director of the Company for Three years w.e.f. 24.08.2021

To Appoint Mr. Arvind Mahajan as Independent Director of the Company

A gentle reminder to all the shareholders who have not casted their votes so far that e-voting facility is already open and will remain open for 30 minutes after the close of 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 questions regarding :-

Growth in topline & bottom-line of the company in Financial Year 2020-21 and

Details with respect to expansion undertaken by company in Tamil Nadu.

To answer to these queries from the Shareholders, I request Mr. Rahul Razdan, Whole Time Director of your company to address these.

Mr. Rahul Razdan—please

Mr. S.P. Gupta – Can you speak, if you are able to hear

Mr. Rahul Razdan – Yeah I can speak can everybody hear me?

Mr. S. P. Gupta – Yes please speak

Mr. Rahul Razdan – OK Hello, Good Afternoon to everyone, Shareholders, Board of Directors and my colleagues, let me extend a warm welcome to all of you at 31<sup>st</sup> Annual General Meeting of Flex Foods Limited being held virtually.

I would like to take this opportunity to present to you a brief overview of the latest developments at your company.

Keeping up the momentum of last year's growth trend the management has decided to pursue the company's expansion plans.

A world class, state of art production facilities under construction in Tamil Nadu which is near Bangalore, approximately 60 kilometers from the Bangalore airport on at 25 acres of land that

the company had acquired earlier. This will be in addition to our existing facility at Dehradun, Uttarakhand which is presently operating at almost 100% capacity.

The new facility will offer Freeze drying and air drying of herbs and we have also extended our arrangements into fruits and vegetable segment. We hope to build in the production by March or April 2022 from this new facility in South India. This expansion is funded through the internal approvals and also the bank finance.

In the last 1 year we have been successful in acquiring new customers, both in European Union as well as United States of America.

Additionally, we are also planning to enter the private level segment for the supermarkets, which are abroad, especially in the United States and European Market. This will be a new vertical and we would like to take advantage of the growing demands of the packaged food.

This makes us confident of improving both the top and the bottom line of the company, and thereby enhancing the shareholders wealth.

Further, I would like to say that the growth potentials are very big, but also there are big challenges ahead in terms of the currency fluctuation and the instability in the free market due to which. Due to the pandemic which is resulting in the non-availability of containers and the vessels. However, we are very hopeful that we will overcome these small issues and we will, enhance shareholders value and continue to serve all of you.

I would also like to thank the opportunity by the management to provide me the directorship and I will try to do whatever maximum I can to enhance the value of the shareholders, and also to keep the pace with the Management and also my Colleagues. Thank You

Mr. Rajesh Dheer – Thank You, 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.

Now, I request Mr. S.P. Gupta to unmute speakers one by one.

Mr. S.P. Gupta – I just do it. The first speaker is Raghav Aggarwal. Raghav ji apna mike unmute kariye and then put your question

Mr. Raghav Aggarwal -- am I audible.

Mr. S.P. Gupta – Han ji sir please

Mr. Raghav Aggarwal - Please okay. Good afternoon everyone and I am thankful to the management for allowing me to speak. Mr. Razdan was almost address my queries and I appreciate that the company has taken that expansion project near Bengaluru.

However, I have I would again, like to ask Mr.Razdan, and if he could give me an overview how the management is planing to boost their export sales, because I believe the export sales could give a better margin and could boost the bottom line of the company and that would ultimately return to us as a shareholder, and but not the names of any clients or parties that they are approaching, if they could highlight any particular geographies they're particular looking for any countries in European Union. Because I see there are some countries in European Union. They are going to lock down so they have some, uh, every, every country has different situation. So, what all countries are, they are targeting at for their existing from their existing facility, either from Dehradun or the upcoming facility from new one.

Mr. Rahul Razdan – Hi Raghav, I would like to answer that basically, till last year we were focusing on, European Union and we had a customer base limited customer base in the European Union. But now we have taken the initiatives, the entire team as well as me also, to a certain extent, we have extended our customer base and also, now we have at least 3 or 4 current customers in the United States and we have increased the customer base in European Union also, in addition to these to we are also trying to new customers in Southeast Asia, Australia and Middle East.

So this is what we are trying to work out, because we are trying to distribute our risks by getting more customers on board. So that's a target for me. And also we have partially successful in that and I do agree with you that the bottom lines are always better when you are doing exports. And luckily, at the moment currency is also in our favor. I don't know how long hopefully it will continue to be in our favor.

But, as I told you, there are challenges in terms of shipments and I hope those challenges and because the freight rate, what we are paying last year, has almost doubled in this year. The most of our luckily, consignments are on FOB. So it's not hitting us directly. But, the demand as of now is robust<sup>and</sup> we will continue to strive and get more and more customers on board So that's what my target is. And I hope to get

Hope I have answered your question

Mr. Raghav Aggarwal - Thank you so much Mr. Razdan, I could sense confident voice and I believe, there would be better results for it by 22 as the results were really better and were good in FY 21, and I hope for a better with the by 22.

Mr. Rahul Razdan -I hope so. Let's keep the fingers crossed.

Mr. Raghav - Thank you so much and all the very best.

Mr. Razdan- Thank you. Thank you Raghav

Mr. Rajesh Dheer – Thank You 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.

Mrs. Indu Liberhan - Thank You