

25th Annual Report

2014 - 2015



FLEX FOODS LIMITED



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

TWENTY FIFTH ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman
T. N. PANDEY
G. N. GUPTA
M. G. GUPTA
R. K. JAIN
S. K. KAUSHIK

COMPANY SECRETARY

RAJESH DHEER

MANAGER

B.P. SHARMA

AUDITORS

Statutory Auditor

JAIN SINGHAL & ASSOCIATES
IIInd 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 25th Annual General Meeting of the Members of FLEX FOODS LIMITED will be held on Saturday, the 22nd day of August, 2015 at 03:00 P.M. at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare the dividend for the year 2014-2015 on the equity shares of the Company.
3. To appoint a Director in place of Shri S. K. Kaushik (holding DIN 00027035), who retires by rotation and being eligible offers himself for re-appointment.
4. Ratification of Appointment of Statutory Auditors.

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

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

By Order of the Board

Rajesh Dheer

Company Secretary

FCS No. 3060

Place : NOIDA

Date : 27.05.2015

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 17.08.2015 to 22.08.2015 (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS.

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. 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.
5. 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.
6. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
7. The Company has paid the Annual Listing Fees for the year 2015-2016 to the BSE Limited on which the Company's Securities are presently listed.
8. Unclaimed/Undelivered Share Certificates

As per the provisions of Clause 5A of the Listing Agreement, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly unclaimed shares lying with the Company have been transferred and dematerialized in an ‘Unclaimed Suspense Account’ of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.



It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

Shareholders, who have not yet claimed their shares are requested to immediately approach the Registrar & Transfer Agents of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account – Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the Suspense Account is given below:

Sl. No.	Particulars	No. of Share-holders	No. of equity shares held
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed suspense Account	143	14500
2	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account	Nil	Nil
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account	Nil	Nil
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on date	143	14500

9. Voting through electronic means

I. In compliance with provisions of Clause 35 B of the Listing Agreement read with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting

platform provided by Central Depository Services (India) Limited (CDSL).

- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- i) The voting period begins on **19th August, 2015 (9:00 AM)** and ends on **21st August, 2015 (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 **15th August, 2015**, 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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.



DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for **FLEX FOODS LIMITED** on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non-Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 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.

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.

- 10 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. **15th August, 2015**.
- 11. 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.
- 12. Mr. Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 13. 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.
- 14. 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.
15. 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.
16. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
(In Pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Shri S.K. Kaushik
Date of Birth	29.11.1939
Date of Appointment	11.08.2000
Experience in specific functional area	A Chartered Accountant having more than 50 years of experience particularly in the field of Finance, Marketing and Production Planning.
Qualification	FCA.
Directorship in other Public Limited Companies	UFLEX Limited UTech Developers Limited
Members/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Audit Committee - UFLEX Ltd. Nomination and Remuneration Committee - UTech Developers Ltd. Shareholders' Relationship Committee - Flex Foods Ltd. - UFLEX Limited

Note: None of the Non-Executive Directors of the Company hold any shares/convertible instrument in the Company except Shri Ashok Chaturvedi, (Non-Executive Chairman) who hold 7610 equity shares of the Company.

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 25th Annual Report together with the Audited Accounts of the Company for the Financial year ended 31st March, 2015

Financial Results

The financial results for the year ended 31st March, 2015 and for the previous year ended 31st March, 2014 are as follows:

(Rs. In Lacs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
Income from Operation	7245.20	6616.48
Other Income	245.88	314.60
Profit before Finance Cost, Depreciation and Taxes	2116.28	1914.18
Finance Cost	286.28	200.53
Depreciation	389.15	356.77
Profit before Tax	1440.85	1356.88
Provision for Taxation	462.15	319.27
Deferred Tax (Assets)/ Liability	46.74	2.47
Short/(Excess) Provision of earlier year	(9.38)	0.21
Profit for the Year	941.34	1034.93
Earnings per Share	7.56	8.31

Your Company during the year achieved total revenue of Rs.7491.08 including other income of Rs.245.88 lacs in comparison to total revenue of Rs 6931.08 lacs including other income of Rs 314.60 lacs in the previous year ended 31st March, 2014. During the year the Company made export of manufactured/traded goods on FOB basis to the tune of Rs 5071.32 lacs, which is approximately 71% of the total sales. Your Company ended the year with a net profit of Rs.941.34 lacs compared to profit of Rs.1034.93 lacs for the previous year ended 31st March, 2014. The earning per share is Rs. 7.56 in comparison to Rs.8.31 per share in the previous year.

The operational aspects of the Company's working have been covered in detail in the Management Discussion and Analysis Report and the same is deemed to be part of this Directors' Report.

Dividend

Your Directors are pleased to recommend a dividend @ Rs.2.25 per share for the financial year ended 31 March, 2015. The dividend if approved at the forthcoming Annual General Meeting will be paid to Members whose name appear in the Register of Members as on 16.08.2015. In respect of shares held in dematerialized form, it will be paid to those members whose name are furnished by National Securities Depository Limited and Central Depository Service (India) Limited as beneficial owner.

Share Capital

The paid-up equity share capital as on 31st March, 2015 was Rs. 12.45 crores. During the year under review, the company has neither issued shares with Differential Voting Rights nor granted Stock Options nor sweet Equity. As on 31st March, 2015 none of the Director of the Company held shares or convertible instruments of the Company except Mr. Ashok Chaturvedi, Chairman who held 7610 Equity Shares.

Fixed Deposit

During the year under review, your Company did not accept any Fixed Deposits from the Public

Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri S.K. Kaushik, Director (DIN 00027035) of the Company retires by rotation and being eligible offers himself for re-appointment.

Brief resume of the Director seeking re-appointment, nature of his expertise in specific functional areas and the name of the Public Companies in which he holds Directorship and Chairman/Membership of the Committees of the Board, is given as Annexure to the Notice convening the Annual General Meeting.

Directors' Responsibility Statement

On the basis of compliance certificates received from the Executives of the Company, subject to the 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 statement in terms of section 134(3)(c) of the Companies Act, 2013

- 1) that in the preparation of the Annual Financial Statement for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- 2) that the company has selected such Accounting Policies and applied consistently and judgment 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 at the end of the financial year as at 31st March, 2015 and of the profits of the Company for the year ended on that date;
- 3) that the 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.
- 4) that the Annual Financial Statement have been prepared on a going concern basis;
- 5) That proper Internal Financial Control were in place and that internal financial controls were adequate and were operating effectively.



- 6) That the 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 reviews the internal control and financial reporting issues with the Internal Auditors.

Auditors & Audit

The Statutory Auditor of the Company M/s Jain Singhal & Associates, Chartered Accountants, New Delhi (Firm Registration No. 005839N) were appointed as Statutory Auditors by the members for a period of three years in the Annual General Meeting held on 23rd August, 2014. Their appointment would be ratified at the ensuing Annual General Meeting.

The observations of the Auditors and the relevant notes on the accounts 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, Delhi (Firm Registration No. 000374N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the Financial Year 2015-2016.

Secretarial Auditors

The Board of Directors of your Company has appointed M/s. Mahesh Gupta & Company, Practicing Company Secretaries, as Secretarial Auditors pursuant to the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditors is annexed to the report as per **Annexure 'A'**. There is a qualification in the Report that Company did not appoint Woman Director upto 31st March, 2015.

The management has clarified that, it is in search out and in process of appointing a woman director soon.

Corporate Governance

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchange.

A separate report on Corporate Governance alongwith Report on Management Discussion & Analysis is enclosed as a part of the Annual Report.

Corporate Social Responsibility

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs every company having the net worth of Rs. 500 crores or more, turnover of Rs. 1000 crores or more, or net profit of Rs. 5 Crore or more during any financial year have to spend at least 2% of the average net profit of the

company made during the three immediately preceding financial years.

The Company has to do a CSR activity for an amount of Rs. 18.38 lakh based on the average profits of the three immediate preceding financial years. It being the first year of application of CSR provisions, the company has been on the look out to identify meaningful CSR activity covered under the Schedule VII of the Companies Act, 2013, which can be undertaken by the Company on sustained basis and therefore no expenditure has been made during the year.

The report on CSR activities is annexed as an **Annexure B.**

Disclosure under Companies Act, 2013

(i) Extract of Annual Return

The details forming part of the Extract of Annual Return in annexed as per **Annexure 'C'**

(ii) Meetings

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

(iii) Composition of Audit Committee

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

(iv) Related Party transactions

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

All related party transactions are negotiated on an arms-length basis and are ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the weblink www.flexfoodsltd.com/investor/policy-on-related-party-transactions-htm.

The details of the transaction with the Related party are provided in the accompanying financial statements.

(v) Particulars of Loan, Guarantees and Investment

Details of loans, guarantees and investment covered under Provisions of Section 186 of the Companies Act, 2013 are given in the accompanying Financial Statements.

Significant and Material Orders Passed by the Regulators or Court

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

**Internal Financial Control**

A detailed note has been provided under Management Discussion and Analysis report.

Vigil Mechanism And 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 website at weblink www.flexfoodsLtd.com/PDF/Whistle-Blower-Policy/whistleblowerpolicy.pdf.

Board Evaluation

Pursuant to provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance and the Directors individually.

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

The performance evaluation of Independent Directors was done by the entire Board, excluding Directors being evaluated.

Disclosure Under Sexual Harassment of Women at Work Place (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 2014-2015 and hence no complaint is outstanding as on 31.03.2015 for redressal.

Remuneration Policy

The Board has framed a policy for selection of and appointment of Directors, Senior Management and their remuneration

Subsidiary, Joint Ventures And Associate Companies

The Company does not have any Subsidiary or Joint venture Company. However, the company is associate company of UFLEX Ltd.

Particulars of Employees

There has been no employee during the year whose particulars are required to be given pursuant to provision of the Companies Act, 2013. 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 in **Annexure-D**.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Information under Section 134 of the Companies Act, 2013 read with the rules made there under is given in **Annexure 'E'** forming part of this Report.

Personnel

Relations with the Employees remained cordial and harmonious throughout the year, thereby strengthening the commitment of the Employees at all level to the growth of the Company.

Acknowledgement

The Directors acknowledge with gratitude the co-operation extended by various agencies of the Central Government, Government of Uttarakhand, Banks and all Business Associates during the year under review. The Board also takes this opportunity to express its deep gratitude for the continuous support received from the Shareholders and wholehearted cooperation given by the employees of the Company working at various levels.

For and on behalf of the Board

Place : NOIDA
Dated : 27.05.2015

Ashok Chaturvedi
Chairman
(DIN 00023452)



ANNEXURE 'A' SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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, 2015** 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, 2015 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;

There is no such Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **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.**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not applicable – (notified but effective from 1st July, 2015).**
- (ii) The Listing Agreements entered into by the company with Stock Exchange.

During the year under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above. However, the Company was required to spend on CSR Activities, as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies

Act, 2013 amounting to Rs.18.38 lacs, but spent NIL during the year.

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.

We further report that

The Company has not appointed a Woman Director upto 31st March, 2015. But there exist proper balance of Non-Executive Directors and Independent Directors.

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 decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be. There was no dissenting vote for any matter.

We further report that

- We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other

applicable Acts, Laws and Regulations to the Company. Therefore, 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, the Company has undertaken event/action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above viz.

1. Pursuant to Section 180(1)(a) of the Companies Act, 2013, the company has obtained approval of the members by way of special resolution for creation of charge(s), mortgage(s) and/or hypothecations in addition to the existing charges mortgages, and hypothecations created by the Company.
2. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Company has obtained approval of its members by way of special resolution for exercising the borrowing power of the Company.

For Mahesh Gupta and Company
Company Secretaries

Place : Delhi Mahesh Kumar Gupta
Date : 27th May, 2015 FCS No. - 2870
C P No. - 1999

ANNEXURE – A - 1

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. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. 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.
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

Place : Delhi Mahesh Kumar Gupta
Date : 27th May, 2015 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.918.89 Lacs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs.18.38 Lacs
5.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year; b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below:	Rs. 18.38 Lacs Rs. 18.38 Lacs N.A.

Place : Noida
Date : 27 May, 2015

Ashok Chaturvedi
Chairman
DIN 00023452

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

ANNEXURE - C
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

[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 : 0135-249 9262, 0135-249 9234
- vi) Whether listed company Yes / No : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Beetal Financial & Computer Services Pvt Ltd
(UNIT : FLEX FOODS LIMITED)
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre
Near Dada Harsukh Dass Mandir
New Delhi – 110 062
Tel : 011-29961281-283

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FREEZE DRIED MUSHROOM, HERBS, VEGETABLES & FRUITS	0712.3100	52%
2	FROZEN / INDIVIDUAL QUICK FROZEN FRUITS, VEGETABLES, MUSHROOM AND HERBS	0710.8090	24%
3	PROCESSED FOOD VIZ MUSHROOM FRESH & PROCESSED (INCLUDING CANNED)	0910.9933	19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Nil
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	7287930	--	7287930	58.54	7377115	--	7377115	59.26	0.72
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(1)	7340550	--	7340550	58.96	7429735	--	7429735	59.68	0.72
(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)	7340550	--	7340550	58.96	7429735	--	7429735	59.68	0.72



Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	--	--	--	--	--	--	--	--	--
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (B)(1)	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corporate									
i. Indian	360820	3900	364720	2.93	235102	3900	239002	1.92	-1.01
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals-									
i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	2386534	1005551	3392085	27.25	2376953	980551	3357504	26.97	-0.28
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	1257147	12500	1269647	10.20	1119783	12500	1132283	9.09	-1.11
c) Any Other (specify)									
- NRIs	43411	--	43411	0.35	216509	--	216509	1.74	1.39
- Clearing Members (in Transit Position)	39587	--	39587	0.32	74967	--	74967	0.60	0.28
Sub - Total (B)(2)	4087499	1021951	5109450	41.04	4023314	996951	5020265	40.32	-0.72
Total Public Shareholding (B) = (B)(1)+(B)(2)	4087499	1021951	5109450	41.04	4023314	996951	5020265	40.32	-0.72
C. Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A)+(B)+(C)	11428049	1021951	12450000	100	11453049	996951	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	--	--
9	A.L. CONSULTANTS PRIVATE LIMITED	--	--	--	25000	0.20	--	--
10	MAGIC CONSULTANTS PRIVATE LIMITED	--	--	--	10500	0.08	--	--
11	NARU INVESTMENTS PRIVATE LIMITED	--	--	--	100	0.00	--	--
	Total	7340550	58.96		7429735	59.68		

***Inclusion of New Entities in Promoters Group w.e.f. 30th March, 2015. Although, they were also holding the shares as at the beginning of the year.**

(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	7340550	58.96	7340550	58.96
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):			89185 (30.03.2015)*	0.72
	At the End of the year			7429735	59.68

***Inclusion of New Entities in Promoters Group w.e.f. 30th March, 2015. Although, they were also holding the shares as at the beginning of the year.**



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

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SANGEETHA S	198690	1.60	198690	1.60
2	SANTOSH SITARAM GOENKA	62935	0.51	151574	1.22
3	SUNITA SANTOSH GOENKA	88444	0.71	118384	0.95
4	SUPRIYA SANTOSH GOENKA	85878	0.69	88759	0.71
5	RAVINDRA SHANKAR WAGH .	--	--	50050	0.40
6	AVINASH BAHETI	35000	0.28	35000	0.28
7	HARSHADKUMAR RATILAL DESAI	--	--	34660	0.28
8	SRINIVASA BABU THIKKAMANENI	--	--	30000	0.24
9	BHARAT J. PATEL	--	--	28450	0.23
10	VARSHA RAMESH PARIKH	--	--	24900	0.20
11	RUCHIT BHARAT PATEL	77023	0.62	--	--
12	AMIT ARVID GUNDERIA	40000	0.32	--	--
13	HINDUSTAN TRADECOM PRIVATE LIMITED	34020	0.27	--	--
14	DESAI MAYUR HARSHAD	32060	0.26	--	--
15	UMA AMARNATH	29850	0.24	--	--

(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	--	--	--	--



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
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	--	--	--	--
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	--	--	--	--
Mr. Navel 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. B. P. Sharma					
1	At the beginning of the year	100	0.00	70	0.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-30 (Transfer) 14-08-2014	0.00	--	--
3	At the End of the year	--	--	70	0.00
Mr. Rajesh Dheer					
1	At the beginning of the year	0	0.00	1	0.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	+1 (14-08-2014)	--	Transfer	--
3	At the End of the year	--	--	1	0.00



V. INDEBTEDNESS

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

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,590.34	--	--	2,590.34
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	1.27	--	--	1.27
Total (i + ii + iii)	2,591.61	--	--	2,591.61
Change in Indebtedness during the financial year				
• Addition	11,247.66	--	--	11,247.66
• Reduction	11,367.83	--	--	11,367.83
Net Change	(120.17)	--	--	(120.17)
Indebtedness at the end of the financial year				
i) Principal Amount	2,464.23	--	--	2,464.23
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	7.21	--	--	7.21
Total (i + ii + iii)	2,471.44	--	--	2,471.44

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. B.P. Sharma Manager	Total Amount
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.36	16.36
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.69	0.69
	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 - Medical Reimbursement and contribution to provident fund	0.67	0.67
	Total (A)	17.72	17.72
	Ceiling as per the Act	72.92	72.92

B. Remuneration to other directors:
1. Independent Directors

(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	
1.	<ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	2.15	2.65	1.90	6.70
		--	--	--	--
		--	--	--	--
	Total B(1)	2.15	2.65	1.90	6.70

2. Other Non-Executive Directors

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Ashok Chaturvedi	Mr. S.K. Kaushik	Mr. R.K. Jain	
1.	<ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	0.95	1.95	2.90	5.80
		--	--	--	--
		--	--	--	--
	Total B(2)	0.95	1.95	2.90	5.80
	Total B (1+2)				12.50
	Total Managerial Remuneration				17.72
	Overall ceiling as per act				87.50

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Naval Duseja Chief Financial Officer	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	14.75	11.04	25.79
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.51	0.23	0.74
	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			
	- Medical Reimbursement, LTA and contribution to provident fund	1.33	0.81	2.14
	Total	16.59	12.08	28.67



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 D
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	0.807
Mr. Triloki Nath Pandey	2.252
Mr. Gyanendra Nath Gupta	1.615
Mr. Madan Gopal Gupta	1.827
Mr. Ravinder Kumar Jain	2.465
Mr. Surrender Kumar Kaushik	1.657

- (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	137.5%
Mr. Triloki Nath Pandey	120.83%
Mr. Gyanendra Nath Gupta	90%
Mr. Madan Gopal Gupta	115%
Mr. Ravinder Kumar Jain	141.67%
Mr. Surrender Kumar Kaushik	225%
KMP	
Mr. Bhagwati Prasad Sharma (Manager)	17.60%
Mr. Naval Duseja (CFO)	20.94%
Mr. Rajesh Dheer (CS)	13.88%



- (b) **The percentage increase in the median remuneration of employees in the financial year** : 15.65%
- (c) **The number of permanent employees on the rolls of company** : as on 31.03.2015 employees are 504, However the data taken for calculation of median remuneration of the employee was 524.
- (d) **The explanation on the relationship between average increase in remuneration and company performance**: On an average, employees received an increase of 15.65%. 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 2014-15 (Aggregated)	46.39
Revenue from operations	7,245.20
Remuneration (as % of revenue)	0.640%
Profit before tax (PBT)	1,440.85
Remuneration (as % of PBT)	3.220%

- (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 15	As at 31 March 14	Variation
Closing rate of share at BSE	Rs.	49.35	30.80	60.23%
EPS	Rs.	7.56	8.31	-9.03%
Market Capitalisation	Rs/lac	6,144.08	3,834.60	60.23%
Price Earning Ratio	Ratio	6.53	3.71	76.01%

- (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 2014-15 was **15.65%**. Percentage increase in the managerial remuneration for the year was **18.90%**

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

Particulars	Manager	Chief Financial Officer	Company Secretary
	Rs/lac	Rs/lac	Rs/lac
Remuneration	17.72	16.59	12.08
Revenue	7,245.20	7,245.20	7,245.20
Remuneration (as% revenue)	0.24%	0.23%	0.17%
Profits before tax (PBT)	1,440.85	1,440.85	1,440.85
Remuneration (as % of PBT)	1.23%	1.15%	0.84%

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

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



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

*There is no Executive Director in the Company, However Non Executive Directors are getting only sitting fees for attaining board & committee meetings.

- (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 'E' TO DIRECTORS REPORT

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

A) Energy Conservation Measures Taken

Keeping in mind social accountability, efforts were undertaken to reduce energy consumption & emission of pollutants. Steam generation & consumption, electricity & water consumption patterns were studied & optimized for various processes.

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

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

Installation of VFD's at mushroom farm in composting process has resulted in substantial energy savings.

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

HPU Unit: Refrigeration unit was modified to improve handling capacity by installing new compressor, PHE, cooling tower & evaporator. The cooling capacity of existing Blast freezer was enhanced.

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

IQF Unit: New reciprocating compressor of higher capacity was installed to improve cold room temperature.

C) Impact of the above measures

HPU refrigeration unit modification has resulted in increased raw material handling capacity & process efficiency thereby resulting in significant cost savings

Installation of VFD at mushroom farm in composting process resulted in improved quality of compost due to achievement of uniform and high temperature throughout the whole compost.

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

TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

The company prioritized and carried out R&D work in process and product development of Conventional herbs like Lovage and Hyssop.

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

IQF Hyssop & IQF Lovage were developed and manufactured in addition to other herbs.

**iii) Future Plan of Action**

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

D) FOREIGN EXCHANGE EARNING AND OUTGO

- a. Activities related to Exports: Initiatives were taken to increase exports, development of new export markets for products and services. The company is at present exporting its products to North America and Europe. The company is continuously exploring possibilities of exporting new and enhanced quantities of existing product mix to existing and new prospective markets.
- b. During the year company has exported manufactured goods calculated on FOB basis amounting to Rs. 5071.32 lacs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to Rs 168.42 lacs

For and on behalf of the Board

Place : NOIDA
Dated : 27.05.2015

Ashok Chaturvedi
Chairman
(DIN 00023452)



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

The Indian Food Industry is poised for huge growth, increasing its contribution in world food trade every year. In India, the food sector has emerged as a high-profit section on the back of the scope it offers for value addition, particularly with food processing industry getting recognized as a high priority area.

Global Mushroom Industry has expanded horizontally and vertically, meaning that the expansion has been in production and addition of newer types of edible mushroom varieties for commercial cultivation. Today China is leading in global mushroom production. The second highest mushroom producing country is USA, followed by European Union Countries.

The Mushroom market has grown exponentially in the last few years and this trend is projected to continue. The market was valued at \$29,427.92 million in 2013 and at a CAGR of 9.5% from 2014, it is projected to reach \$50,034.12 million by 2019.

The market is being driven by the rise in consumption of processed food, rise in consumer awareness about health and wellness, cultivation being a promising and profitable business, and continuous R&D and innovations to expand applicability and accelerate growth. On the other hand, limited shelf-life is the major challenge faced by the mushroom market. (Source : www.researchandmarkets.com)

Business Overview

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

Product-wise performance

Sale of Finished Goods

Description	Current Year		Previous Year	
	Quantity (in KGs)	Value (Rupees in Lacs)	Quantity (in KGs)	Value (Rupees In Lacs)
Freeze dried Mushroom, Herbs, Vegetables & Fruits	2,19,492	3,713.33	1,85,286	3,392.47
Processed Food Viz. Mushroom Fresh & Processed (including Canned)	12,61,200	1,375.96	12,67,808	1,194.15
Frozen/Individually Quick Frozen Fruits, Vegetables, Mushroom & Herbs	12,85,450	1,687.47	13,20,926	1,648.60
Air Dried Fruits, Vegetables, Mushroom & Herbs	92,460	321.42	1,11,973	339.24
Others	-	34.93	-	2.53
Total	28,58,602	7,133.11	28,85,993	6,576.99

OPPORTUNITIES AND THREATS

The Food Processing Industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. The total food production in India is likely to double in the next 10 years with the country's domestic food market estimated to reach \$258 billion by 2015-2016.

The role of the Indian Government has been instrumental in the growth and development of the industry. The Government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the sector.

It has approved proposals for Joint Ventures (JV), Foreign collaboration, Industrial licenses and 100 per cent export oriented units.

The opportunities of expansion in the food processing industry are vast. However, there is need to improve technology and productivity to be competitive globally. As the economy grows, the food processing industry will offer bigger opportunities to the new as well as existing players.

Although India is endowed with favorable natural agro-climate and a rich source of agro-wastes that could be exploited for cultivation of diverse mushroom species, yet the country does not have any significant status either as a mushroom producer or as a consumer. Mushrooms give significant health benefits and possess medicinal properties. There is tremendous scope for diversifying mushroom export by including other mushroom species. With the current growth rate of the Indian Economy, the domestic market too for the mushrooms is likely to enlarge sooner than later

In the current fast growing economy, our business is challenged by regulatory policy changes, raw material pricing, power tariff cost, weather changes, changing consumer demand, impact of currency fluctuations and competition from domestic as well as international front.

To address these risks, the Company has a single point source supplier of Frozen/IQF (Individually Quick Frozen), Air Dried as well as Freeze Dried products to the customers as per their requirements with high quality mushrooms and herbs. Though the competition is fierce, the goodwill and the quality of the products offered by the Company are great plus factors and the Company is well poised to meet the challenge of competition. The Company had expanded its freeze drying capacity by adding print of art freeze dried cabinets.

Future Outlook

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

With the growing awareness for nutritive and quality by growing health conscious population, the demand for food including mushroom is quickly rising and will continue to rise with increase in global population and expandable income.

Risks & Concerns

Every business faces risks involved in its operations, which could be internal as well as external. The external factors affecting any company's business are market competition, availability of cheaper substitute products, Government policies regarding power tariffs and on-going political and economic changes in the importing country. The Company has a control over its internal factors but may not have much control over such external factors; however it is important to address these risks & concerns to mitigate their overall impact on the business. Realistic risk assessment and Management approach along with the regular monitoring mechanism in the Company ensures that these risks are duly addressed and well managed. High focus on safety of plant, its premises and people continuity and proactive Management of related business environment are essential for the risk management in the overall supply chain and business in general.

Internal Control System & Their Adequacy

The Company has adequate system of internal controls to ensure that all activities are monitored and controlled as well as transactions are authorized, recorded and reported correctly. The Company has effective budgetary control system and the actual performance is reviewed with reference to the budget periodically by the Management. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines, which are supplemented by internal audit regularly. The Audit Committee of the Board meets on quarterly basis and reviews the internal control systems as well as financial statements.

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 efforts have been made to strengthen and develop its human resources as a key strength through continuous training inputs and focused development plan. As on 31st March 2015, the total number of permanent employee in the Company were 504.

ANALYSIS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE

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



A. FINANCIAL CONDITIONS

Fixed Assets

At the end of the year, Company's investment in fixed assets was as under:

Year ended March 31 st	2012	2013	2014	2015
Gross Block (Rs. in Lacs)	7,953	8,082	9,573	10,301

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2015	March 31, 2014	Growth %
Land	382.45	99.70	283.60
Buildings	1,851.29	1,547.72	19.61
Plant & Equipments	7,584.59	7,477.74	1.42
Electrical Fittings & Installations	253.01	250.86	0.85
Office Equipments	53.13	45.63	16.43
ERP Software	31.26	30.01	4.16
Furniture & Fixtures	12.83	10.85	18.25
Vehicles	132.96	110.68	20.13
Total	10,301.52	9,573.19	-
Less: Acc. Depreciation	4,800.86	4,407.38	8.93
Add: CWIP	236.34	67.21	-
Net Fixed Assets	5,737.00	5,233.02	-

CURRENT ASSETS LOANS & ADVANCES

Inventories

Inventories include stock of raw material, consumables, work-in-progress, finished goods and packing material. Total inventories were Rs 1622.21 lacs, representing 15.74% of the fixed assets.

Sundry Debtors

Sundry debtors were Rs.1226.81 lacs as at 31st March, 2015 as against Rs.1683.60 lacs as at 31st March, 2014. Debtors as a percentage of total operating revenue were 16.93 % for the current year as against 25.44 % for the previous year.

Cash and Bank Balances

Cash and bank balances were 5.24 % of total assets as on 31st March, 2015 as against 9.67 % as on 31st March, 2014.

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.519.30 lacs represent closing balance of net deferred tax liabilities after adjusting total deferred tax assets and deferred tax liabilities as on 31.03.2015. It has been calculated in accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

CURRENT LIABILITIES & PROVISIONS

Current Liabilities

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

B. RESULTS OF OPERATIONS

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

(Rs.in lacs)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Amount	%	Amount	%
INCOME				
Income from operations	7,245.20	96.72	6,616.48	95.46
Other income	245.88	3.28	314.60	4.54
Total Income	7,491.08	100.00	6,931.08	100.00
EXPENDITURE				
Raw Material Consumed	1,369.90	18.29	1,097.36	15.83
(Increase)/Decrease in stock	(499.24)	(6.66)	(28.41)	(0.41)
Manufacturing Expenses	1,785.42	23.83	1,543.53	22.27
Payment & Benefit to Employees	1,246.37	16.64	1,090.12	15.73
Administrative, Selling & Other Expenses	1,472.35	19.65	1,314.30	18.96
OPERATING EXPENSES	5,374.80	71.75	5,016.90	72.38
EBDIT	2,116.28	28.25	1,914.18	27.62

REPORT ON CORPORATE GOVERNANCE**Corporate Governance**

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges the Company submits the Report on the matters mentioned in the said clause and practice followed by the Company

1. Company's Philosophy on Code of Governance

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

2. Board of Directors**(a) Composition of the Board (As on March 31, 2015)**

The Board of Directors of the Company comprises of six Directors. All Directors including Chairman of the Company are Non-executive Directors with three Directors being independent Directors. The Board consists of eminent persons with considerable professional experience in business, industry, finance and law. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all the Companies in which they are Directors. All the Directors have made disclosures regarding their directorship and memberships on various Committees across all Companies in which they are directors and/or members.

The Company has not appointed woman director till 31.03.2015. However, the company is in process of appointing a Woman Director on the Board of the Company.

The shareholders at the 24th Annual General Meeting held on 23rd August, 2014 approved appointment of all the Independent Directors to hold the office for five years for a term upto 31st March, 2019.

The composition and category of Directors as on 31.03.2015 is as follows

Name of Director	Designation	Category
Mr. Ashok Chaturvedi	Chairman	Non-executive
Mr. T. N. Pandey	Director	Independent, Non-executive
Mr. G.N. Gupta	Director	Independent, Non-executive
Mr. M.G. Gupta	Director	Independent, Non-executive
Mr. R.K. Jain	Director	Non-executive
Mr. S.K. Kaushik	Director	Non-executive

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

No director is related to any other director on the Board in term of definition of 'relative' given under Companies Act, 2013



As mandated by the Clause No.49, all the Independent Directors on the Company's Board are Non-Executive and:

- Apart from receiving remuneration by way of sitting fee for attending Boards and Committee meetings, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management and associates, which may affect their independence as Directors
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years of the Company..
- Are not partner or executive or were not partner or executive of the Statutory Audit Firm or the Internal Audit Firm and Legal Firms, Consulting Firms, which have material association with the Company
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Directors.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.
- Have furnished declaration at the time of their appointment and also annually and satisfy the conditions of their being independent as laid down under Clause No. 49 of the Listing Agreement. All such declarations are placed before the Board.

Thus the requirements prescribed by clause 49 are fully complied with.

Information supplied to the Board

The Board has complete access to all information with the Company, *inter-alia*, the information as required under the Clause 49 of the Listing Agreement is regularly provided to the Board as a part of the agenda.

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

Compliance reports of all applicable laws to the Company

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

(b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2014-2015. The dates on which the meetings were held are, 22nd May, 2014, 6th August, 2014, 10th November, 2014 and 2nd February, 2015. The gap between two meetings was not more than four months.

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	4	No	3	1 (As Chairman)
Mr. S.K. Kaushik	4	Yes	2	3 (Including 1 as Chairman)
Mr. T.N. Pandey	4	No	1	1 (As Chairman)
Mr. G.N. Gupta	4	Yes	3	1 (As Chairman)
Mr. R.K. Jain	4	No	Nil	Nil
Mr. M.G. Gupta	4	Yes	2	3 (Including 1 as Chairman)

The Directorship held by the Directors as mentioned above do not include Directorship in Foreign Companies

@ In accordance with Clause 49 of the Listing agreement, Membership / Chairmanship of only the Audit Committee and Shareholders' Relationship Committee in all public companies (excluding Flex Foods Limited) have been considered.

(c) Separate Meetings of Independent Directors

As stipulated the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate Meeting of the Independent Directors of the Company was held on 2nd February, 2015 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content 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.

(d) Familiarization Programme for Directors

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

3. Audit Committee

Presently, the Audit Committee comprises of four Member Directors viz. Mr. T.N. Pandey, Mr. G.N. Gupta, Mr. M.G. Gupta 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 Directors out of which three are independent. All the members of the Audit Committee 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 Clause 49 of the Listing Agreement, which include the following:

Role of the Audit Committee

1. Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the Management, the annual financial statements 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. Qualifications in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), when made, 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. Review and monitor the audit's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions 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 the internal control systems.
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 made and take follow up action 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 payment 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 CFO after assessing the qualifications, 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
21. To review the following information:
 - The Management Discussion and Analysis of financial condition and results of operation;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal Audit Reports relating to internal control weaknesses and
 - The appointment, removal and terms of remuneration of Internal Auditors

Power of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek 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 , 22nd May, 2014, 6th August, 2014, 10th November, 2014 and 2nd February, 2015. 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

The Manager of the Company, 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

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

During the year, the Nomination and Remuneration Committee had met on 2nd February, 2015. All the members had attended this Meeting.

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

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

Details of Remuneration paid to Manager for the year ended 31.03.2015 is given below:

(Rs. in Lacs)

Name	Salary	Perquisites & Allowances	Commission Paid	Total	Service Contract
Mr. B.P. Sharma	8.39	9.33	Nil	17.72	3 Years

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

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

Name of Directors	Board Meetings (in Rs.)	Committee Meetings (in Rs.)	Total (in Rs.)
Mr. Ashok Chaturvedi	70,000.00	25,000.00	95,000.00
Mr. T.N. Pandey	70,000.00	1,95,000.00	2,65,000.00
Mr. G.N. Gupta	70,000.00	1,20,000.00	1,90,000.00
Mr. M.G. Gupta	70,000.00	1,45,000.00	2,15,000.00
Mr. R.K. Jain	70,000.00	2,20,000.00	2,90,000.00
Mr. S.K. Kaushik	70,000.00	1,25,000.00	1,95,000.00

5 Stakeholders' Relationship Committee

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

In order to expedite the process of share transfers, the Board of Directors have nominated a Committee of two officers, who normally attend to the transfer and other related matters within a period of 6 – 7 days. The Committee of Officers operates subject to overall supervisions and directions of Stakeholders' Relationship Committee.

During the year, the Shareholders' Relationship Committee had met on 30th September, 2014 and 18th February, 2015. and both the meeting were attended by all the members of the Committee.

The total numbers of complaints received and resolved during the year under review were eight, outstanding complaints as on 31.03.2015 were nil. There was no valid share transfer pending for registration for more than 15 days as on the said date.

Mr. Rajesh Dheer, Company Secretary has been designated as Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities

Prohibition of Insider Trading

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

6. Corporate Social Responsibility Committee of Board

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

The terms of reference of the committee include formation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on CSR activities and monitoring the CSR Policy of the Company from time to time. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

The meeting of Corporate Social Responsibility Committee was held on 10th November, 2014.

The Company Secretary acts as the secretary to the Committee.

7. Risk Management Committee of the Board

In terms of Clause 49 of the Listing Agreement, a Risk Management Committee of the Board of Directors was constituted on 6th August, 2014. Mr. T .N. Pandey is the chairman of the Committee and Mr. R. K. Jain and Mr. S. K. Kaushik are the other member of the Committee. The Company Secretary acts as the Secretary to the Committee

The role and responsibilities of the Risk Management Committee are as prescribed under clause 49 of the Listing Agreement, as amended from time to time involves review the establishment and adherence of the Company's enterprise risk management framework and also review the efficacy and adequacy of the Risk Management System working in the Company.



During the year, Risk Management Committee meeting had held on 02.02.2015. All the Member had attended this meeting.

8. Subsidiary Companies

The Company does not have any Subsidiary Company

9. 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 Meeting(s) and/or other Committee Meeting(s). All-important matters concerning the working of the Company along with requisite details are placed before the Board.

10. Compliance Certificate

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

11. 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
22 nd	Saturday August 25, 2012 at 3:00 P.M.	Registered Office at: Lal Tappar Industrial. Area P.O. Rasham Majri Haridwar Road Dehradun, Uttarakhand	Nil
23 th	Saturday June 29, 2013 at 3:00 P.M	Same as above	Nil
24 th	Saturday August 23, 2014 at 3:00 P.M.	Same as above	- Borrow money in excess of Paid up Capital and Free reserve

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

Yes, the company has put the resolution as special resolution. The Company has successfully completed the process of obtaining approval of its Members on the following Resolutions through Postal Ballots during year 2014:

Creation of Charge / Mortgage on the Assets of the Company (Special Resolution)

Voting Pattern and Procedure for Postal Ballot

- i) The Board of Directors of the Company, resolution by circulation on 22nd August, 2014, had appointed Mr. Mahesh Kumar Gupta, FCS to act as Scrutinizer for conducting the Postal Ballots voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 22nd August, 2014 together with the Explanatory Statement on 16th September, 2014 along with forms and prepaid postage business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members / list of Beneficiaries as processed by CDSL & NSDL.
- iii) The voting under the postal ballot was kept open from 17th September, 2014 to 16th October, 2014 (either physically or through electronic mode)
- iv) Particulars of Postal Ballot Forms received from the Members using the electronic platform of CDSL were entered in a register maintained for the purpose.
- v) The Postal Ballot forms were kept under safe custody and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All Postal Ballot Forms received / receivable upto the close of working hours on 16th October, 2014 the last date and time fixed by the Company for receipt of the Forms, had been considered for his scrutiny
- vii) Envelopes containing Postal Ballot Forms received after close of business hours on 16th October, 2014 had not been considered for his scrutiny.
- viii) The Votes were unblocked on 17th October, 2014 in presence of two witnesses who were not in the employment of the Company.
- ix) On 20th October, 2014 the Results were announced as under:

A) Creation of Charge / Mortgage on the Assets of the Company

(i) Voted in favour of the resolution:

	Number of Members voted	Number of votes cast in favour of the resolution	% of total number of valid votes cast
E-voting	21	7361082	99.9815
Postal Ballot	3	300	100.00
Total	24	7361382	99.9815

(ii) Voted against the resolution:

	Number of Members voted	Number of votes cast against of the resolution	% of total number of valid votes cast
E-voting	4	1,367	0.0185
Postal Ballot	0	0	0
Total	4	1,367	0.0185

(iii) Invalid Votes

Total number of members whose votes were declared invalid	Total numbers of votes cast by them
0	0

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

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

12. Disclosures

a) Related Party Transactions

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

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

The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website.

b) Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

c) Disclosure of Accounting Treatment

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

d) Disclosures of Risk Management

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

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

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

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

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

g). Management Discussion and Analysis

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

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

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets 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 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). 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 Manager is published in this Report

j) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2015 have been prepared as per applicable Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

13. CEO/CFO Certifications

Mr. B. P. Sharma, who is carrying on the responsibility of CEO 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 Clause 49 of the Listing Agreement at its meeting held on 27th May, 2015.

14. Non-Mandatory Requirements under Clause 49 of the Listing Agreement

The status of compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement is provided below:

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 Independent Directors for 5 consecutive years for a term upto 31st March, 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. The complete Annual Report is sent to each and every shareholder of the Company.

iii) Audit Qualifications

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

(iv) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee.

15. 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 'English' and 'Hindi' newspapers in terms of the Listing Agreement 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

16. SEBI Complaints Redress System (SCORES)

The Company processes the investors' complaints received by it through a computerized complaints redress system. The salient features of this system are computerized database of all the inward receipts and action taken on them, online submission of Action Taken Reports (ATRs) along with supporting documents electronically in SCORES. The

investors' can view online the current status of their complaints submitted through SEBI Complaints Redress System (SCORES).

17. General Shareholders Information

(a) Annual General Meeting to be held

Date : 22nd August, 2015
 Day : Saturday
 Time : 3:00 P.M.
 Venue : Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand

(b) Financial Calendar

- Results for quarter ending 30.06.2015 : Second week of August, 2015
 - Results for quarter ending 30.09.2015: Second week of November, 2015
 - Results for quarter ending 31.12.2015: Second week of February, 2016
 - Results for quarter ending 31.03.2016: Last week of May, 2016

(c) Book Closure date

17.08.2015 to 22.08.2015 (both days inclusive)

(d) Dividend

Dividend for the financial year 2014-2015, if declared will be paid/credited to the account of the shareholders on or after 22.08.2015

(e) Listing of Equity Shares on Stock Exchanges

The equity shares are listed with the BSE Limited

Note : Annual Listing fee for the year 2015-2016 have been duly paid to BSE Limited

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

(Equity shares)

(g) Demat ISIN Number : INE 954B01018

in NSDL & CDSL

(h) Stock Market Price for the year 2014-2015:-

Share prices on BSE Limited are as under:

Month	High	Low
April, 2014	35.10	29.90
May, 2014	48.20	33.55
June, 2014	52.50	43.10
July, 2014	52.80	42.00
August, 2014	64.40	45.05
September, 2014	94.85	61.00
October, 2014	90.90	70.60
November, 2014	95.00	71.05
December, 2014	75.00	59.05
January, 2015	78.00	63.00
February, 2015	74.85	54.90
March, 2015	60.00	47.05

(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 6-7 days from the date of receipt, subject to the documents being valid and complete in all respects.

(l) Distribution of Share holding as on 31.03.2015

Range	No. of Shareholders	No. of shares	% of total equity
1 - 500	13404	1739914	13.98
501 -1000	511	431722	3.47
1001 – 2000	242	383007	3.08
2001 – 3000	77	203085	1.63
3001 – 4000	56	203340	1.63
4001 – 5000	43	204318	1.64
5001 – 10000	55	425157	3.41
10001 and above	61	8784490	70.56
Transit shares *		74967	0.60
Total	14449	12450000	100.00

As on 31.03.2015, these shares lying in pool account of NSDL/CDSL since buyers identity are not established

(m) Categories of Shareholders as on 31.03.2015

Category	No. of shares held	% of shareholding
Promoters & Associates	7429735	59.68
Financial Institutions & Mutual Funds	--	--
Foreign Institutional Investors	--	--
NRIs	216509	1.74
Banks	--	--
GDRs	--	--
Other Corporate Bodies	239002	1.92
Others (General Public)	4489787	36.06
Shares in transit (Demat) *	74967	0.60
Total	12450000	100.00

As on 31.03.2015, these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

(n) Dematerialization of Shares and liquidity

Nearly 91.99% of total equity share capital is held in dematerialized form upto 31.03.2015 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.
- (ii) Village Chhilderwala, 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
 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

The above report has been placed before the Board at its meeting held on 27th May, 2015 and the same was approved.

AUDITORS' CERTIFICATE

To the Members of
FLEX FOODS LIMITED

We have examined the compliance of conditions of Corporate Governance by Flex Foods Limited for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement except the appointment of Woman Director before 31st March, 2015.

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

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

Place : NOIDA
Dated : 27.05.2015

Bhawna Khanna
Partner
Membership No. 502428

DECLARATION

To the Members of
FLEX FOODS LIMITED

I, B.P. Sharma, Dy. General Manager (Sales & Marketing) 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, 2015 pursuant to the requirements of Clause 49 of the Listing Agreement.

For **Flex Foods Limited**

Place : NOIDA
Dated : 27.05.2015

B.P. Sharma
Dy. General Manager
(Sales & Marketing)



INDEPENDENT AUDITOR'S REPORT

The Members of
FLEX FOODS LIMITED

1) Report on the Financial Statements

We have audited the accompanying financial statements of FLEX FOODS LIMITED ("The Company") which comprise the Balance Sheet as at 31st March 2015, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2) Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3) Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

5) Report on Other Legal and Regulatory Requirements

- i. As required by "the Companies (Auditor's Report) Order, 2015", issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), 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 statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As required by Section 143(3) of the Act, we report that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(a)(i) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : NOIDA
Dated : 27th May, 2015.

Bhawna Khanna
Partner
Membership No. 502428

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF
"FLEX FOODS LIMITED" FOR THE YEAR ENDED 31ST MARCH
2015**

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 2015, 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.
 - ii. In respect of Inventories of the Company:
 - a) According to information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the Management of the Company.
 - b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and according to information and explanation given to us, 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 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, 2015 are not applicable to the Company.
 - iv. In our Opinion and according to the Information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have not observed any major weaknesses in internal control system; hence no comment has been given on the continuing failure to correct them.
 - v. The Company has not accepted any deposits. Therefore the provision of clause (v) of Para 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
 - vi. The provisions of maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and vide Companies (Cost Records and Audit) Amendment Rules, 2014, for the products dealt / manufactured by the Company are not applicable to the company. Therefore the clause (vi) of Para 3 of the Companies (Auditor's Report) Order, 2015 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, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Value Added Tax, Cess and any other material statutory dues applicable with the appropriate authorities.

However the provisions of Employee's State Insurance Act' 1948 do not apply to the Company at this stage and
- therefore deposit of Employees State Insurance dues with the appropriate authorities in time are not applicable to the Company.
- According to the information and explanations given to us there are no undisputed amount payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other applicable statutory dues as at the year end for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us, there are no pending dues in respect of Sales Tax, Wealth Tax, Service Tax, Custom Duty and Cess which have 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. 21.57 Lakhs, pending before (a) ITAT (Rs.16.63 Lakhs) and (b) CIT (Appeals) Bangalore (Rs. 4.94 Lakhs).
 - (ii) Disputed demand raised by Commissioner Customs and Central Excise aggregating to Rs. 595.58 Lakhs pending with the Customs, Excise and Service Tax Appellate Tribunal, Delhi.
 - c) According to the information and explanations given to us, there are no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act' 1956 (1 of 1956) and rules made there under.
- viii. The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year; accordingly no comment has been made in respect of matter specified under clause (viii) of Para 3 of the Companies (Auditor's Report) Order, 2015.
- ix. In our opinion and 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.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore the clause (x) of Para 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to Company.
- (xi) According to the information and explanations given to us and the records of the Company examined by us the term loans have been applied for the same purposes for which the loans were obtained.
- xii. 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Bhawna Khanna
Partner
Membership No. 502428

Place : NOIDA
Dated : 27 May, 2015.



BALANCE SHEET AS AT 31st MARCH, 2015

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholder's Funds			
a) Share Capital	3	1245.00	1244.73
b) Reserves and surplus	4	5133.37	4578.44
		<u>6378.37</u>	<u>5823.17</u>
2 Deferred Government Grants	5	200.88	176.21
3 Non-current Liabilities			
a) Long Term Borrowings	6	698.32	801.90
b) Deferred Tax Liabilities(Net)	7	519.30	472.56
c) Long Term Provisions	8	71.72	64.22
		<u>1289.34</u>	<u>1338.68</u>
4 Current Liabilities			
a) Short-Term Borrowings	9	1545.20	1565.59
b) Trade Payables		605.56	481.69
c) Other Current Liabilities	10	473.86	525.28
d) Short-term Provisions	11	759.50	691.23
		<u>3384.12</u>	<u>3263.79</u>
Total		<u><u>11252.71</u></u>	<u><u>10601.85</u></u>
II. ASSETS			
1 Non-Current Assets			
a) Fixed Assets	12		
(i) Tangible Assets		5492.40	5152.67
(ii) Intangible Assets		8.26	13.14
(iii) Capital work-in-progress		236.34	67.21
b) Long Term Loans and Advances	13	1010.42	187.53
c) Other Non-Current Assets	14	103.77	103.77
		<u>6851.19</u>	<u>5524.32</u>
2 Current Assets			
a) Inventories	15	1622.21	1069.15
b) Trade Receivables	16	1226.81	1683.60
c) Cash and Bank Balances	17	539.28	925.56
d) Short-term Loans and Advances	18	996.98	1373.36
e) Other Current Assets	19	16.24	25.86
		<u>4401.52</u>	<u>5077.53</u>
Total		<u><u>11252.71</u></u>	<u><u>10601.85</u></u>

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-44

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
Director
DIN -00027035

M.M. Varshney
Sr. Vice President

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

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Bhawna Khanna
Partner
Membership No.502428

Place : NOIDA
Dated : 27th May, 2015



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I Income			
Revenue from operations	20	7,245.20	6,616.48
Other Income	21	245.88	314.60
Total Revenue		7,491.08	6,931.08
II Expenses			
Cost of Materials Consumed	22	1,369.90	1,097.36
(Increase)/Decrease in Finished-Goods & Work-In-Progress	23	(499.24)	(28.41)
Employee Benefits Expenses	24	1,246.37	1,090.12
Finance Cost	25	286.28	200.53
Depreciation and Amortization Expenses	12	389.15	356.77
Manufacturing Expenses	26	1,785.42	1,543.53
Administration and Selling Expenses	27	1,472.35	1,314.30
Total Expenses		6,050.23	5,574.20
III Profit Before Tax (I-II)		1,440.85	1,356.88
IV Tax Expense:			
(1) Current Tax		462.15	319.27
(2) Deferred Tax (Assets) / Liability		46.74	2.47
Less/(Add): Short/(Excess) Provision of Income Tax for earlier year		(9.38)	0.21
Total Tax Expenses (IV)		499.51	321.95
V Profit/(Loss) for the Year (III-IV)		941.34	1,034.93
VI Earnings per equity share:			
(1) Basic	28	7.56	8.31
(2) Diluted	28	7.56	8.31
VII NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-44			

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
Director
DIN -00027035

M.M. Varshney
Sr. Vice President

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

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Bhawna Khanna
Partner
Membership No.502428

Place : NOIDA
Dated : 27th May, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015.

(Rs. in Lacs)

Particulars	Note No.	(Rs. in Lacs)	
		For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		1,440.85	1,356.88
Adjustments for :			
Depreciation and Amortization		389.15	356.77
Deferred Income on Capital Subsidy		(12.83)	(9.95)
Exchange Rate Fluctuations (Net)		(39.43)	(124.98)
Interest Expenses		286.28	200.53
Bad Debts		23.08	-
Sundry Balances Written-Off		3.24	6.97
Sundry Balances Written Back		(9.94)	(1.33)
Loss/(Profit) on Sale of Fixed Assets (Net)		(4.39)	2.84
Interest Income		(192.03)	(187.43)
Operating Profit before Working Capital Changes		1,883.98	1,600.30
Adjustments for :			
(Increase)/Decrease in Inventories		(553.06)	(39.08)
(Increase)/Decrease in Trade-Receivable & Other Receivable		816.48	(782.54)
(Increase)/Decrease in Long-Term Loans and Advances		(822.90)	190.63
Increase/(Decrease) in Trade-Payables, Other Payables & Short-Term Provisions		123.93	280.53
Increase in Long-Term Provisions(Net)		7.50	14.12
		1,455.93	1,263.96
Cash Generated from Operating Activities			
Income Tax paid		(435.47)	(149.02)
Exchange Rate Fluctuations (Net)		39.43	124.98
Net Cash From Operating Activities		1059.89	1239.92
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Tangible Assets/Capital Work-In -Progress		(943.15)	(1,531.22)
Purchase of Intangible Assets		(1.25)	-
Capital Subsidy Received During The Year		37.50	-
Proceeds from Sale of Fixed Assets		6.33	2.72
Interest Received		192.03	187.43
Net Cash used in Investing Activities		(708.54)	(1,341.07)
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of Long Term Borrowings (Net)		(103.58)	586.50
Proceeds from Short Term Borrowings(Net)		(20.38)	420.72
Dividend Paid, including Dividend Tax #		(327.39)	(290.90)
Interest & Finance Charges		(286.28)	(200.53)
Net Cash used in Financing Activities		(737.63)	515.79
Net increase/(decrease) in Cash & Cash Equivalents	(I+II+III)	(386.28)	414.64
Cash & Cash Equivalents at beginning of the Year		925.56	510.92
Cash & Cash Equivalents at end of the Year ##	17	539.28	925.56

Note:

Unpaid Share allotment money amounting to Rs.0.27 lacs (Previous year Rs. 0.28 lacs) on 19,700 (Previous year 19,700) shares have been adjusted against the dividend paid on these shares

Includes Rs.352.45 lacs(Previous Year Rs.696.69 lacs) in respect of amount lying in unclaimed dividend account, margin money for bank guarantee and fixed deposit with maturity of more than twelve months.

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-44

For and on behalf of the Board of Directors

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

Ashok Chaturvedi
Chairman
DIN -00023452

S.K. Kaushik
Director
DIN -00027035

M.M. Varshney
Sr.Vice President

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

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Bhawna Khanna
Partner
Membership No.502428

Place : NOIDA

Dated : 27th May, 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

1 COMPANY PROFILE

Flex Foods Limited, was incorporated on 5th February, 1990 with the Registrar of Companies under the provisions of Companies Act 1956, having Corporate Identification Number (CIN) L15133UR1990PLC023970. The Registered office of Company is situated at Lal Tappar Industrial Area, P. O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand).

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

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

2.2 CLASSIFICATION OF EXPENDITURE/INCOME

Except Otherwise Indicated:

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

2.3 USE OF ESTIMATES AND JUDGEMENTS

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

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

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

2.4 VALUATION

(i) Fixed Assets

a) Tangible

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

b) Intangible

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

(ii) Raw Material & Packing Material

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

(iii) Finished Goods

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

(iv) Work-in-Progress

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

(v) Cost of Consumable Stores & Spares

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

2.5 FOREIGN CURRENCY TRANSACTIONS

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

2.6 DEPRECIATION

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

2.7 IMPAIRMENTS

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

2.8 GOVERNMENT GRANTS

- (i) Capital Subsidy received from Government as contribution towards Capital Outlay for setting up the fixed assets is treated as Capital Grants which is recognized as Income in the Statement of Profit & Loss over the period and in the proportion in which depreciation is charged.
- (ii) Revenue Grants are recognized in Statement of Profit & Loss.

2.9 SALES

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

2.10 PURCHASES

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

2.11 EMPLOYEES BENEFITS

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

2.12 PROVISION FOR INCOME TAX

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

2.13 CLAIMS BY/AGAINST THE COMPANY

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

2.14 RESEARCH & DEVELOPMENT EXPENSES

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

2.15 BORROWING COST

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

2.16 EARNING PER SHARE

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

2.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

3 SHARE CAPITAL

(Rs. in Lacs)

(i) Share Capital	As at 31.03.2015		As at 31.03.2014	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs.10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Redeemable Preference Shares of Rs.100/- each	5,00,000	500.00	5,00,000	500.00
		<u>2,000.00</u>		<u>2,000.00</u>
Issued, Subscribed & Paid up				
Equity Shares of Rs.10 each	1,24,50,000	1,245.00	1,24,50,000	1,245.00
Less: Allotment Money Unpaid		-		0.27
Total	<u>1,24,50,000</u>	<u>1,245.00</u>	<u>1,24,50,000</u>	<u>1,244.73</u>

(ii) Reconciliation of Number of Equity Shares

(Rs. in Lacs)

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

(iii) Rights, Preferences and Restrictions attached to Shares

Equity Shares

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

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

Name of the Shareholders	As at 31.03.2015		As at 31.03.2014	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Uflex Ltd	58,70,000	47.15	58,70,000	47.15
Anshika Investments Pvt Ltd	12,52,630	10.06	12,52,630	10.06
Total	<u>71,22,630</u>	<u>57.21</u>	<u>71,22,630</u>	<u>57.21</u>

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

4 RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
A) General Reserves		
Opening Balance	882.11	777.11
(+) Current Year Transfer	94.20	105.00
(-) Depreciation adjustment in terms of Schedule II of Companies Act, 2013	(49.33)	-
Closing Balance	<u>926.98</u>	<u>882.11</u>
B) Surplus		
Opening Balance	3,696.33	3,095.93
(+) Profit/(Loss) for the year	941.34	1034.93
(+) (Short)/Excess Dividend & Corporate Dividend Tax	0.07	(1.79)
Appropriation of previous year		
Appropriations		
(-) Proposed Dividend	(280.13)	(280.13)
(-) Proposed Dividend Tax	(57.02)	(47.61)
(-) Transfer to Reserves	(94.20)	(105.00)
Closing Balance	<u>4,206.39</u>	<u>3,696.33</u>
Total (A+B)	<u>5,133.37</u>	<u>4,578.44</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

(Rs. in Lacs)

Particulars	As at 31.03.2015		As at 31.03.2014	
5 DEFERRED GOVERNMENT GRANTS (To the extent pending apportionment to Statement of Profit & Loss)				
Capital Subsidy on				
a) Cold Storage	11.44		12.76	
b) Individually Quick Frozen and Air Dried Plant	60.48		65.75	
c) Plastic Crates	3.71		3.88	
d) Cold storage (New)	100.58		103.77	
e) Freeze Drying Cabinet	37.50	213.71	-	186.16
Less: Deferred Income Apportioned to Statement of Profit & Loss				
a) Cold Storage	1.71		1.32	
b) Individually Quick Frozen and Air Dried Plant	4.38		5.27	
c) Plastic Crates	0.33		0.17	
d) Cold Storage (New)	5.88		3.19	
e) Freeze Drying Cabinet	0.53	12.83	-	9.95
Total		200.88		176.21

6 LONG TERM BORROWINGS**SECURED**

Term Loans From Canara Bank	805.77		1024.76	
Less: Current Maturities of Long-Term Debts [Refer Note No.10(a)]	220.70	585.07	222.86	801.90
Term Loan From Allahabad Bank		113.25		
Total		698.32		801.90

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

(Rs. in Lacs)

Name of the Bank	Sanctioned Amount	O/S as at 31.03.2015	Current Portion	Long Term	Repayment Terms
Canara Bank	300.00 (300.00)	175.83 (214.81)	40.70 (42.86)	135.13 (171.95)	Repayable in 28 Quarterly installments starting from July 2012, first 7 installments were of Rs.10.71 Lacs each & Balance are of Rs.10.17 Lacs each
Canara Bank	900.00 (900.00)	629.94 (809.95)	180.00 (180.00)	449.94 (629.95)	Repayable in 60 monthly installments of Rs.15 Lacs each starting from April 2014
Allahabad Bank	1,650.00	113.25 (-)	- (-)	113.25 (-)	Repayable in 20 Quarterly installments of Rs.82.50 Lacs each starting from June 2016.
Total	2,850.00	919.02	220.70	698.32	
Previous Year	(1200.00)	(1024.76)	(222.86)	(801.90)	

Previous year figures have been given in brackets.

Notes:

- Term loans from Canara Bank are secured on first 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 collaterally secured (a) by way of first charge on stocks & book debts of Company and (b) by personal guarantee of one of the Director of the Company.
- Term loan from Allahabad Bank is 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 LalTappar Industrial Area and ChakJogiwala (Chidderwala) , Dehradun (Uttarakhand), (Mortgage yet to be created). This loan is collaterally secured (a) by way of second *pari passu* charge on the current assets of the Company and (b) by personal guarantee of one of the Director of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015
7 DEFERRED TAX LIABILITIES (NET)

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

Particulars	(Rs. in Lacs)		
	Deferred Tax Assets/ (Liabilities) as at 31.03.2015	Current Year (Charge) / Credit	Deferred Tax Assets/(Liabilities) as at 31.03.2014
A. Deferred Tax Assets (Net)			
Others	105.00	8.21	96.79
Total (A)	105.00	8.21	96.79
B. Deferred Tax Liabilities (Net)			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	624.30	54.95	569.35
Total (B)	624.30	54.95	569.35
Net Deferred Tax Assets/(Liabilities) (A-B)	(519.30)	(46.74)	(472.56)

Particulars	(Rs. in Lacs)	
	As at 31.03.2015	As at 31.03.2014
8 LONG TERM PROVISIONS		
Provision for Leave Encashment	71.72	64.22
Total	71.72	64.22
9 SHORT TERM BORROWINGS		
SECURED		
Loan repayable on demand		
From -Canara Bank	1,545.20	1,565.59
Total	1,545.20	1,565.59

Notes:

Working Capital facilities from Canara bank are secured on first charge basis (a) by way of hypothecation of stock and book debts of the company; and collaterally secured on first charge basis; (a) by way of hypothecation of fixed assets; (b) by mortgage of immovable properties of the company situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderewala), Dehradun (Uttarakhand) and (c) by personal guarantee of one of the Director of the Company.

10 OTHER CURRENT LIABILITIES

a) Current Maturities of Long-Term Debt (Refer Note No.6)	220.70	222.86
b) Interest Accrued but not due on borrowings	7.21	1.27
c) Unclaimed Dividend #	85.84	71.26
d) Security Deposit from Customers	4.90	-
e) Advance received from Customers	0.15	3.71
f) Statutory Liabilities	130.66	120.08
g) Other liabilities	14.69	68.03
h) Capital Creditors	9.71	38.07
Total	473.86	525.28

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 2015

(Rs. in Lacs)

Particulars	As at		As at	
	31.03.2015		31.03.2014	
11 SHORT TERM PROVISIONS				
a) Provision for Employee Benefits				
Gratuity	191.30		150.93	
Leave Encashment	7.79	199.09	6.75	157.68
b) Others				
Provision for Taxation (Net)	222.84		205.54	
Provision for Wealth Tax	0.42		0.27	
Proposed Dividend	280.13		280.13	
Proposed Dividend Distribution Tax	57.02	560.41	47.61	533.55
Total		759.50		691.23

12 FIXED ASSETS

(Rs. in Lacs)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost As At 01-04-2014	Additions During the Year	Deductions During the Year	Other Adjustment	Cost As At 31-03-2015	As At 01-04-2014	Opening Depreciation Adjust as per Schedule II of Companies Act, 2013	During the Year	Total Provided During the Year	Deduction /Adjustment During the Year	Upto 31-03-2015	As At 31-03-2015
A	TANGIBLE ASSETS												
1	Freehold Land	99.70	282.75	-	-	382.45	-	-	-	-	-	382.45	99.70
2	Building												
	- Factory	1500.62	296.26	0.68	-	1,796.20	617.17	17.74	53.62	71.36	0.07	688.46	1,107.74
	- Administration	47.10	7.99	-	-	55.09	22.96	-	0.78	0.78	-	23.74	31.35
3	Plant & Equipment	7,477.74	144.62	37.77	-	7,584.59	3533.90	17.24	292.08	309.32	37.77	3805.45	3,779.14
4	Furnitures & Fixtures	10.85	1.98	-	-	12.83	6.21	0.10	1.37	1.47	-	7.68	5.15
5	Vehicles	110.68	30.77	8.49	-	132.96	53.58	0.48	15.86	16.34	7.16	62.76	70.20
6	Office Equipments	45.63	7.50	-	-	53.13	22.66	7.70	8.61	16.31	-	38.97	14.16
7	Electrical Installation	250.86	2.15	-	-	253.01	134.03	6.07	10.70	16.77	-	150.80	102.21
	SUB TOTAL (A)	9,543.18	774.02	46.94	-	10,270.26	4390.51	49.33	383.02	432.35	45.00	4,777.86	5,492.40
B	INTANGIBLE ASSETS												
	Software	30.01	1.25	-	-	31.26	16.87	-	6.13	6.13	-	23.00	8.26
	SUB TOTAL (B)	30.01	1.25	-	-	31.26	16.87	-	6.13	6.13	-	23.00	8.26
C	CAPITAL WORK-IN-PROGRESS											236.34	67.21
	SUB TOTAL (C)											236.34	67.21
	TOTAL (A+B+C)	9573.19	775.27	46.94	-	10,301.52	4,407.38	49.33	389.15	438.48	45.00	4800.86	5,737.00
	PREVIOUS YEAR	8081.58	1513.69	25.19	3.11	9,573.19	4,070.23	-	-	356.77	19.62	4,407.38	5,233.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	(Rs. in Lacs)		
	As at 31.03.2015	As at 31.03.2014	
13 LONG TERM LOANS AND ADVANCES			
Unsecured, Considered Good			
a) Capital Advances	469.92	12.83	
b) Security Deposits	103.72	103.72	
c) Advance Income Tax	68.40	68.38	
d) Loan to Company #	782.70	-	
Less :- Current Portion [Refer Note No.18(d)]	<u>417.35</u>	<u>365.35</u>	
e) Loans/Advances to Employees	3.03	1.72	
f) Loans to Officers of the company	-	0.88	
Total	<u><u>1010.42</u></u>	<u><u>187.53</u></u>	
# Disclosure pursuant to Section 186(4) of the Companies Act,2013.			
Name of the Company	Amount of Loan Given in earlier year	Purpose of the Loan	Particulars
Afflatus Gravures Private Limited	1100.00 Lacs	General Corporate Purposes	The loan is repayable in 32 Monthly Installments including interest @ 13 % per annum
14 OTHER NON-CURRENT ASSETS			
Unsecured, Considered Good			
a) DEBT Service Reserve Account	103.77		103.77
Total	<u><u>103.77</u></u>		<u><u>103.77</u></u>
15 INVENTORIES			
a) Raw Material	60.75		26.14
b) Work-in-progress	325.01		350.84
c) Finished Goods	1074.72		549.65
d) Stores & Spares	114.23		101.76
e) Packing Material	47.50		40.76
Total	<u><u>1622.21</u></u>		<u><u>1069.15</u></u>
Inventories are carried at the lower of cost and net realisable value.			
16 TRADE RECEIVABLES			
a) Outstanding for Less than Six Months			
Unsecured, Considered Good	1226.03		1683.60
b) Outstanding for More than Six Months			
Unsecured, Considered Good	0.78		-
Unsecured, Considered Doubtful	<u>235.18</u>		<u>4.43</u>
	<u>1,461.99</u>		<u>1688.03</u>
Less: Provision for Doubtful Receivables	<u>235.18</u>		<u>4.43</u>
Total	<u><u>1,226.81</u></u>		<u><u>1,683.60</u></u>
17 CASH & BANK BALANCES			
a) Cash and Cash Equivalents			
i) Balances with Banks (in Current accounts)	170.20		215.53
ii) Cash on Hand	<u>16.63</u>	<u>186.83</u>	<u>13.34</u>
b) Other Bank Balances			228.87
i) Bank deposits with maturity after 12 months	250.00		620.00
ii) Earmarked Balances			
- Dividend Account	85.84		71.26
iii) Margin Money/Guarantees	<u>16.61</u>	<u>352.45</u>	<u>5.43</u>
Total	<u><u>539.28</u></u>		<u><u>925.56</u></u>


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	(Rs. in Lacs)	
	As at 31.03.2015	As at 31.03.2014
18 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
a) Security Deposits	51.63	51.23
b) Advances Recoverable in Cash or In kind or for Value to be Received	354.32	93.73
c) Balances with Excise Authorities	157.84	114.28
d) Current Portion of Loan (Refer Note to Schedule 13)	417.35	1,100.00
e) Loans/Advances to Employees	14.96	12.62
f) Loans to Officers of the Company	0.88	1.50
Total	996.98	1373.36
19 OTHER CURRENT ASSETS		
Interest Recoverable		
i) On Fixed Deposits with Banks	5.62	16.86
ii) Others	10.62	9.00
Total	16.24	25.86
Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
20 REVENUE FROM OPERATION		
a) Sale of Products	7133.11	6576.99
b) Other Operating Revenues		
i) Export Incentive	50.53	4.04
ii) Transport Assistance Scheme	32.03	7.07
iii) Deferred Income on Capital Grant	12.83	9.95
iv) Sale of Miscellaneous Items	16.70	18.43
Total	7245.20	6616.48
Product-wise Details of Revenue from sale of Manufactured Products		
i) Freeze Dried Mushroom, Herbs, Vegetables & Fruits	3713.33	3392.47
ii) Processed Food Viz Mushroom Fresh & Processed (Including Canned)	1375.96	1194.15
iii) Frozen / Individually Quick Frozen Fruits, Vegetables, Mushroom & Herbs	1687.47	1648.60
iv) Air Dried Fruits, Vegetables, Mushroom & Herbs	321.42	339.24
v) Others	34.93	2.53
Total Revenue from Sale of Products	7,133.11	6576.99
21 OTHER INCOME		
a) Interest Income		
From Banks	54.95	34.87
From Others	137.08	152.56
b) Exchange Rate Fluctuation (Net)	39.43	124.98
c) Miscellaneous Income	0.09	0.86
d) Profit on Sale of Fixed Assets (Net)	4.39	-
e) Sundry Balances Written-Back	9.94	1.33
Total	245.88	314.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

(Rs. in Lacs)

Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
22 COST OF MATERIAL CONSUMED		
Opening Stock	26.14	32.61
Add: Purchases	1,404.51	1,090.89
	1,430.65	1,123.50
Less: Closing Stock	60.75	26.14
Raw Material consumed	1,369.90	1,097.36
Product wise Details of Cost of Material consumed		
Straw	281.09	247.61
Chopped Paddy Straw	6.00	14.59
Soyabean Meal	51.20	46.68
Chicken Manure	62.80	58.73
Herbs	751.67	605.13
Cocapeat	17.78	15.40
Gypsum	15.21	14.56
Herb Seeds	24.07	44.83
Karonda	22.53	2.19
Spawn	35.43	28.26
Green Pepper Corn Brined	54.44	-
Sweet Corn Frozen	17.38	-
Other Raw Material	30.30	19.38
Total	1369.90	1097.36
23 (INCREASE)/DECREASE IN FINISHED GOODS & WORK-IN-PROGRESS		
Closing Stock		-
Finished Stock	1074.72	549.65
Work-In-Progress	325.01	350.84
Opening Stock		900.49
Finished Stock	549.65	600.32
Work-In-Progress	350.84	271.76
Total	(499.24)	(28.41)
(a) Product wise Details of Opening & Closing Finished Goods		(Rs. in Lacs)
Particulars	Closing Stock	Opening Stock
i) Freeze Dried Mushroom Herbs, Vegetables & Fruits	585.12	152.54
ii) Processed Food Viz Mushroom Fresh & Processed (Including Canned)	63.05	83.77
iii) Frozen / Individually Quick Frozen Fruits, Vegetables, Mushroom & Herbs	206.31	167.46
iv) Air Dried Fruits, Vegetables, Mushroom & Herbs	220.24	145.88
Total	1074.72	549.65
(b) Product wise Details of Opening & Closing Work-in-Progress		
i) Freeze Dried Mushroom Herbs, Vegetables & Fruits	4.46	3.91
ii) Processed Food Viz Mushroom Fresh & Processed (Including Canned)	154.98	134.92
iii) Frozen & Fresh Herbs	165.57	212.01
Total	325.01	350.84



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	(Rs. in Lacs)	
	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
24 EMPLOYEES BENEFIT EXPENSES		
a) Salaries, Wages, Benefits & Amenities	1085.53	950.78
b) Contribution to Provident Fund	61.45	57.54
c) Gratuity Fund Contribution (Refer Note No.29)	64.84	47.27
d) Employees Welfare Expenses	34.55	34.53
Total	1246.37	1090.12
25 FINANCE COST		
Interest		
i) On Secured Loans	107.81	53.72
ii) On Working Capital	53.16	34.63
iii) On Shortfall in Payment of Advance Tax	3.53	10.39
Discounting & Bank Charges	121.78	101.79
Total	286.28	200.53
26 MANUFACTURING EXPENSES		
Power & Fuel Consumed	1058.49	927.60
Repairs & Maintenance - Machineries	140.83	117.32
Stores, Spares, Tools, Jigs & Dies Consumed	106.96	96.83
Labour Charges	40.71	36.56
Sorting & Picking Charges	245.01	205.90
Tractor Hire & Shifting Charges	161.79	128.65
Other Manufacturing Expenses	31.63	30.67
Total	1,785.42	1543.53
27 ADMINISTRATION & SELLING EXPENSES		
Power & Fuel (Cold Storage)	104.64	106.57
Insurance Charges	38.68	40.20
Postage & Telephone Expenses	21.53	20.85
Vehicle Hire, Running & Maintenance Expenses	29.42	27.79
Conveyance & Traveling Expenses	148.17	91.49
Repair & Maintenance - Building	23.47	21.64
Repair & Maintenance - Others	25.63	25.52
Legal & Professional Charges	59.94	45.95
General Expenses	96.67	92.25
Charity & Donation	0.06	0.06
Rates & Taxes	1.94	5.83
Bad Debts	23.08	-
Loss on Sale of Fixed Assets (Net)	-	2.84
Sundry Balance written off	3.24	6.97
Commission on Sale	20.92	23.41
Rebate & Discount	1.81	0.79
Sample Testing Charges	16.45	10.60
Packing & Forwarding Charges	329.92	252.83
Freight Outward	526.78	538.71
Total	1472.35	1,314.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015
(Rs. in Lacs)

Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
28 EARNINGS PER SHARE (EPS)		
a) Profit for the year (Rs. In Lacs)	941.34	1034.93
b) Weighted Average number of Equity Shares for computation of Basic and Diluted Earning Per Share (In Numbers)	12,450,000	12,447,321
c) Nominal value per share (Rs.)	10	10
d) Basic & Diluted Earning Per Share (Rs.)	7.56	8.31

29 GRATUITY & POST EMPLOYMENT BENEFIT

The Employees' Group Gratuity Scheme is managed by Life Insurance Corporation of India. The present value of obligation for Gratuity & other Post Employment benefit (i.e. Leave encashment) are determined based on actuarial valuation using the Projected Unit Credit Method. The additional disclosure in terms of Accounting Standards-15(AS-15) "Employees Benefits" issued by The Institute of Chartered Accountants of India and as notified by Companies (Accounting Standards) Rules, 2006 is as under:

(Rs. in Lacs)

Particulars	Gratuity (Funded)		Post Employment Benefit - 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	327.51	281.98	70.97	55.97
Current Service Cost	22.52	21.33	17.89	21.34
Interest Cost	29.80	24.95	6.46	4.47
Actuarial (gain) /loss	28.37	14.77	(0.70)	2.84
Less: Benefits paid	14.39	15.52	15.11	13.65
Obligation at the end of the year	393.81	327.51	79.51	70.97
b) Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year	176.58	133.61	-	-
Employer contribution	24.47	44.71	-	-
Less: Benefits Paid	14.39	15.52	-	-
Add: Expected return on plan assets	15.45	13.71	-	-
Add: Actuarial Gain /(Loss) on plan assets	0.40	0.07	-	-
Fair value of plan assets at the end of the year	202.51	176.58	-	-
c) Amount Recognized in Balance Sheet				
Present value of obligation	393.81	327.51	79.51	70.97
Less: Fair value of plan assets	202.51	176.58	-	-
Amount recognized in Balance Sheet	191.30	150.93	79.51	70.97



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

(Rs. in Lacs)

Particulars	Gratuity (Funded)		Post Employment Benefit - Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
d) Gratuity & other Post Employment benefit cost for the period				
Current Service Cost	22.52	21.33	17.89	21.34
Interest Cost	29.80	24.95	6.46	4.47
Expected return on plan assets	(15.45)	(13.71)	-	-
Actuarial (gain) /loss	27.97	14.70	(0.70)	2.84
Net amount recognized in Statement of Profit & Loss	64.84	47.27	23.65	28.65
e) Principal actuarial assumption at the Balance Sheet date:				
Interest Rate	8.00%	9.10%	8.00%	9.10%
Salary Escalation	6.00%	7.00%	6.00%	7.00%

30 SEGMENT DISCLOSURE

Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
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:-		
Domestic Revenue #	1845.32	1517.11
Export Revenue:		
USA	460.37	588.61
Europe	4874.70	4406.45
Asia	19.66	59.33
Others	0.29	27.96
Total	7,200.34	6599.46

Includes Scrap sales amounting to Rs.16.70 Lacs (previous year Rs.18.43 Lacs) shown under - Note No. -20 (b)(iv)

31 PAYMENT TO AUDITORS

a) Statutory Audit	7.00	6.00
b) Tax Audit	2.40	2.10
c) Certification & other services	3.35	3.21
d) For Reimbursement of Expenses	0.65	0.62
Total	13.40	11.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

(Rs. in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
32 CONTINGENT LIABILITIES AND COMMITMENTS		
a) Contingent Liabilities		
i) Claims against the company not acknowledged as debt:		
• Legal case pending with Doon Ghati Special Area Development Authority.	-	20.86
• Demands raised by the Income Tax department, which are under appeal	21.57	21.57
• Show Cause notice received for the differential excise duty & service tax from Customs & Central Excise Department not accepted by the company and are contested /replied (If liability arises it would be paid along with Interest & penalty.)	81.46	379.19
• Demand raised by Customs & Central Excise Department which are contested by the company.	595.58	698.61
ii) Guarantees Issued by the Bank(Net of Margin)	11.48	11.79
iii) Import Duty Obligations on Outstanding Export Commitments under EPCG	323.45	311.86
Total (a)	1033.54	745.27
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for	784.39	25.37
Total (b)	784.39	25.37

33 RELATED PARTY TRANSACTION

Following disclosures are made, as per Accounting Standard–18 (As-18), regarding, “Related Party Disclosures” as notified by the Companies Accounting Standard (Rules) 2006:

(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 Bhagwati Prashad Sharma, Manager (and his relatives)
- 2) Shri Rajesh Dheer, Company Secretary (and his relatives)
- 3) 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) Ultimate Flexipack Ltd., 2) Club One Airways Pvt. Ltd., 3) Flex Industries Pvt. Ltd., 4) AC Infratech Pvt. Ltd., 5) RC Properties Pvt. Ltd., 6) A to Z Infratech Pvt. Ltd., 7) AKC Investments Pvt. Ltd., 8) Ganadhipati Investments Pvt. Ltd., 9) Ultimate Prepress LLP., 10) Utech Developers Ltd., 11) AKC Retailers Ltd., 12) Ultimate Enterprises Pvt. Ltd., 13) Flex International Pvt. Ltd., 14) Anshika Investments Private Ltd., 15) Anant Overseas Pvt. Ltd., 16) Apoorva Extrusion Pvt. Ltd., 17) Anshika Consultants Pvt. Ltd., 18) A.R.Leasing Private Ltd., 19) Cinflex Infotech Pvt. Ltd., 20) Bundelkhand Projects Pvt.Ltd., 21) AR Infrastructure & Projects P Ltd., 22) AC Infrastructures Pvt. Ltd., 23) Ultimate Infratech Pvt. Ltd., 24) Flex Middle East FZE , 25) Uflex Europe Ltd., 26) Flex Americas S.A de C.V.Mexico , 27) Flex P. Films Egypt S.A.E, 28) Flex Films Europa Sp. Z.o.o., Poland, 29) Flex Films (USA) Inc., 30) Flex P. Films (Brasil) Commercio De Films Plasticos LTDA , 31) First Flexipack Corporation , 32) Uflex Packaging Inc. (USA) , 33) UPET Holding Ltd., Mauritius, 34) UPET (singapore) pte.Ltd., 35) SD Buildwell Pvt Ltd., 36) USC Holograms Pvt.Ltd. , 37) Kaya Kalpa Medical Services Pvt. Ltd. 38) Niksar Finvest Pvt. Ltd., 39) Refex Energy (Rajasthan) Pvt. Ltd., 40) Aone Infratech Pvt.Ltd., 41) Ganadhipati Infraproject Pvt. Ltd., 42) Nirman Overseas Pvt. Ltd., 43) Holofix Urban Infrastructures Pvt. Ltd., 44) Laurel Real Estates Pvt. Ltd., 45) Sungrace Products (India) Pvt. Ltd., 46) AR Airways Pvt.Ltd., 47) Virgin Infrastructures Pvt. Ltd., 48) Vendee Builders Pvt. Ltd., 49)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015**

Ultimate Energy Ltd., 50) Modern Info Technology Pvt.Ltd., 51) Liberal Advisory Pvt.Ltd., 52) Saga Realotors Pvt.Ltd. , 53) Genius Infratech Pvt Ltd., 54) Naveli Collections Pvt.Ltd.,55) Gangotri Management Pvt. Ltd.,56) Manpasand Marketing Pvt. Ltd.,57) Magic Consultants Pvt. Ltd.,58) A.L. Consultants Pvt. Ltd., 59) Naru Investments Pvt. Ltd., 60) Sambhav Finlease Pvt. Ltd.,61) Mahajan Polybag Pvt. Ltd.,62) Moda Eleganza Pvt. Ltd.,63) Dedicated Investment Pvt. Ltd., 64) SK Buildpro Pvt. Ltd., 65) Sungrace Buildwell 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	25.35 (30.05)	-	-	-
ii) Re-imburement for Purchase of Fixed Assets	3.84 (6.26)	-	-	-
iii) Loan Given	- (500.00)	-	-	-
iv) Loan Received Back	- (500.00)	-	-	-
v) Interest Received during the year	- (1.96)	-	-	-
vi) Dividend Paid	132.08 (117.40)	1.18 (1.09)	0.002 (0.04)	33.91 (28.36)
vii) Reimbursement of Expenses	1.08 (1.25)	-	1.80 (0.68)	-
viii) Remuneration/Sitting Fees	- -	0.95 (0.40)	46.21 (20.99)	-
Balance Outstanding at the end of the year (Credit)	6.82 (7.50)	-	0.88 (1.10)	-
Outstanding Guarantee against Term Loans and working capital facilities		2464.22 (2590.35)		

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

(Rs. in Lacs)

Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
34 Value of imports calculated on CIF basis by the Company during the financial Year		
i) Raw Material	43.71	54.23
ii) Components & Spare Parts	23.10	23.05
iii) Capital Goods	44.26	741.72
Total	111.07	819.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

(Rs. in Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
35 Expenditure in Foreign Currency During the year		
i) Tours & Travelling	23.11	16.23
ii) Sample Testing Charges	13.23	7.95
iii) Commission on sale	20.92	23.41
iv) Lab Expenses	0.09	-
Total	57.35	47.59

(Rs. in Lacs)

Particulars	Current Year		Previous Year	
	Amount	%	Amount	%
36 Information in respect of consumption of imported and indigenous material and percentage thereof:				
i) Raw Material Consumed				
Imported	33.94	2.48	62.53	5.70
Indigenous	1335.96	97.52	1,034.83	94.30
Total	1,369.90	100.00	1097.36	100.00
ii) Stores, spares, Tools, Jigs and Dies consumed#				
Imported	17.39	7.02	18.18	8.49
Indigenous	230.40	92.98	195.97	91.51
Total	247.79	100.00	214.15	100.00

Includes Spares of Rs.140.83 Lacs (previous year of Rs. 117.32 Lacs) charged to Repair & Maintenance - Machineries.

(Rs. in Lacs)

Particulars	For the Year	
	Ended 31.03.2015	Ended 31.03.2014
37 FOB value of Manufactured Goods Exported		
Exports of Manufactured Goods Calculated on FOB basis	5,071.32	4,847.47
Total	5,071.32	4,847.47

38 Information in respect of CSR Expenditure required to be spent by the Company

i) Gross Amount required to be spent by the Company	18.38	-
ii) Amount spent during the year on :	-	-
a) Construction / acquisition of any asset	-	-
b) On purpose other than (i) above	-	-
iii) Amount payable as at year end	-	-

39 In the opinion of the board and to the best of their knowledge, value of realisation of assets, other than fixed assets in the ordinary course of the business, would not be less than the amount at which they are stated in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015**

- 40 Necessary disclosures under Micro, Small and Medium Enterprises Development Act 2006, can only be considered once the relevant information to identify the suppliers who are covered under the said Act are received from such parties.
- 41 Figures have been rounded off to the nearest thousand.
- 42 These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act 2013. Previous Year figures have been recasted/ restated to confirm to the classification of the Current Period.
- 43 Normal depreciation on all Fixed Assets except Land & Intangible Assets is charged on SLM Basis as per the Lifes specified in Schedule II of the Companies Act, 2013 after retaining 5% of the original cost as residual value. Further the carrying amount of the Assets whose remaining useful life is NIL as on 1st April,2014 ,amounting to Rs. 49.33 lacs has been adjusted from the Opening Reserves & Surplus after retaining 5% of the Original Cost as Residual Value. As a result of these changes, the depreciation charged for the year ended 31st March,2015 of Rs. 438.48 Lakhs is higher by Rs. 56.74 Lakhs and the effects relating to period prior to 1st April,2014 is Rs. 33.51 Lakhs has been adjusted from opening Reserves & Surplus. Accordingly Depreciation and Amortisation Expense for the Year ended 31st March, 2015 aggregates to 389.15 Lakhs.
- 44 During the year the Company has surrendered it's 100% Export Oriented Unit status and applied for Export Promotion Capital Goods Scheme under Para 6.18(d) of Foreign Trade Policy 2009-14 and subsequently has to complete exit formalities till 30th June, 2015.

Note : Signatories to Notes 1 to 44

For and on behalf of the Board of Directors

Ashok Chaturvedi

Chairman

DIN -00023452

S.K. Kaushik

Director

DIN -00027035

M.M. Varshney

Sr.Vice President

For Jain Singhal & Associates

Chartered Accountants

Firm Registration No.005839N

Rajesh Dheer

Company Secretary

Naval Duseja

Chief Financial officer

Bhawna Khanna

Partner

Membership No.502428

Place : NOIDA

Dated : 27th May, 2015



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

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

ATTENDANCE SLIP

25th 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 25th Annual General Meeting of the Company to be held on **Saturday, 22nd August, 2015 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 25th Annual General Meeting of the Company to be held on **Saturday, 22nd August, 2015 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*	
	Ordinary Business	For	Against
1	To adopt the Audited Financial Statements for the year ended 31st March, 2015		
2	To declare the dividend		
3	To appoint a Director in place of Shri S.K. Kaushik who retires by rotation and being eligible offers himself for re-appointment		
4	Ratification of Appointment of Statutory Auditors		

Signed this.....day of.....2015

Affix Revenue stamp

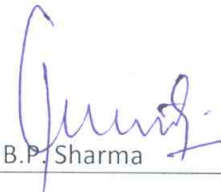
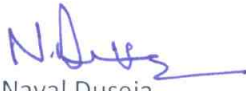

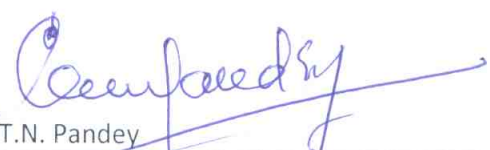
Signature of Proxy holder(s)

Signature of the Shareholder

- Note:**
1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 25th 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.

Form A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	Flex Foods Limited
2	Annual /Financial Statement for the year ended	31 st March 2015
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	NIL
5	To be signed by	
	CEO	 B.P. Sharma
	CFO	 Naval Duseja
	Auditor of the Company	 (Bhawna Khanna) (Jain Singhal & Associates)
	Audit Committee Chairman	 T.N. Pandey