



VALENCIA NUTRITION LTD

Corporate Office: 601A, Neelkanth Business Park, Nathani Road, Vidyavihar (West),
Mumbai 400086.

CIN: L51909KA2013PLC068380

3rd September, 2021

To,
BSE Limited
Department of Corporate Services
Corporate relation department
14th floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

Ref:- Security Code : 542910

ISIN:- INE08RT01016

Sub: Annual Report for the financial year ended 31st March 2021

Dear Sir,

This is to inform you that the 8th Annual General Meeting of the Company is scheduled to be held on Tuesday, September 28, 2021 at 11:00 am through electronic mode [video conference or other audio visual means ("OAVM")].

Please find enclosed Annual Report for the financial year ended March 31, 2021.

Kindly take the same on record.

Thanking you,

For Valencia Nutrition Limited

**JAY JATIN
SHAH**

Jay Shah
Director
(09072405)

Digitally signed by Jay Jatin Shah, DN: cn=Jay Jatin Shah, o=Valencia Nutrition Limited, email=jay.jatin.shah@valencianutrition.com, c=IN, serial=1, reason=I am the signer of this document. MD5 and SHA256 with RSA are enabled. Date: 2021.09.03 11:00:00 +05'30'. C: IN, E: jay.jatin.shah@valencianutrition.com, OU: Valencia Nutrition Limited, O: Valencia Nutrition Limited, CN: Jay Jatin Shah

Regd. Office: No. 372, 1st Floor, Cabin No.105, WS No.3, 6th Cross, Golden Square, Wilson
Garden, Bangalore – 560027.

: +91 9686858848 | www.valencianutrition.com | info@valencianutrition.com



VALENCIA NUTRITION LIMITED

8th Annual Report FY 2020-21



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CORPORATE INFORMATION

BOARD OF DIRECTORS:

| Sl. No. | Name of Directors | Designation |
|----------------|--------------------------|------------------------------------|
| 1 | Mr. Stavan Ajmera | Chairman, Non-Executive Director |
| 2 | Mr. Manish Turakhia | Non-Executive Director |
| 3 | Mr. Jay Jatin Shah | Executive Additional Director |
| 4 | Mr. Eshanya Gupta | Non-Executive Independent Director |
| 5 | Mr. Jaimin Patwa | Non-Executive Independent Director |
| 6 | Ms. Prabha Shankaran | Executive Director |

KEY MANAGERIAL PERSONNEL:

Mr. Jay Jatin Shah (Chief Financial Officer)

Mr. Himanshu Pareek (Company Secretary)

REGISTERED OFFICE:

No. 372, 1st Floor, Cabin No. 105, WS No. 3,
6th Cross, Golden Square, Wilson Garden,
Bangalore 560027

STATUTORY AUDITOR:

M/s Manian & Rao,
Chartered Accountants
(Firm registration no.001983S)
No. 361, 1st Floor, 7th Cross,
Jayanagar 1st Block,
Bangalore -560079

CORPORATE OFFICE:

601A, Neelkanth Business Park,
Nathani Road, Vidyavihar (West)
Mumbai- 400 086

REGISTRAR AND SHARE TRANSFER AGENT:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East,
Mumbai - 400 059

BANKERS:

HDFC Bank

SECRETARIAL AUDITOR:

M/s. V.B. & Associates

Company Secretaries

(Membership No. F10557)

1st Floor, 2nd Cross,

Nehru Nagar, Seshadripuram,

Bengaluru-560020

Valencia Nutrition Ltd
Team Members



Manish Turakhia
Promotor Director



Meghna Manish Turakhia
Strategic Advisor & Partner, Veer Value Ventures LLP



Stavan Ajmera
Chairman & Director



Jaimin Patwa
Independent Director



Jay Shah
Executive Director & CFO



Eshanya Gupta
Independent Director



Prabhha Shankarran
Executive Director



Harsh Joshi
Marketing Head



Sourabh Rangmale
Technical Head



Thilak Noogula
Head Quality Control



Simhachala Reddy
Honorary President - Bangalore Region
Super Stockist of Valencia Nutrition Ltd.



A G Chenna Kesavalu
Honorary President - Chennai Region
Super Stockist of Valencia Nutrition Ltd.



Pratul Kedia
Honorary President – Hyderabad
Super Stockist of Valencia Nutrition Ltd.



G Meher Shashanka Reddy
Honorary President – Hyderabad West
Distributor of Valencia Nutrition Ltd.



Lokesh CN
Sales Head – Karnataka



C. Sathish Kumar
Sales Head – Tamil Nadu



Jeetander Singh
Sales Head – Telangana/Andhra Pradesh



N Prakash Rao
Sales Officer – Telangana/Andhra Pradesh

NOTICE

NOTICE is hereby given that the **Eighth Annual General Meeting** of the Members of **Valencia Nutrition Limited** will be held on **Tuesday, September 28, 2021**, at **11:00 A.M.** through Video Conferencing or Other Audio Visual means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at No. 372, 1st Floor, Cabin No. 105, WS No. 3, 6th Cross, Golden Square, Wilson Garden, Bangalore 560027.

ORDINARY BUSINESS:

- 1) ADOPTION OF AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON

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

“RESOLVED THAT the audited financial statements of the Company comprising of the Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date together with the Notes forming part thereof and Annexures thereto alongwith the Report of the Board of Directors and Auditor’s thereon, be and is hereby approved and adopted.”

- 2) RE-APPOINTMENT OF MR. MANISH TURAKHIA (DIN: 02265579), DIRECTOR LIABLE TO RETIRE BY ROTATION

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 152 of the Companies Act, 2013 (‘Act’) read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Manish Turakhia (DIN: 02265579), who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

- 3) APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable regulatory provisions, if any, the

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Company hereby appoints M/s. Shah & Modi, Chartered Accountants (FRN: 112426W) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of Eighth Annual General Meeting (“AGM”) till the conclusion of the Thirteenth AGM;

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof), be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

SPECIAL BUSINESS:

4) SHIFTING REGISTERED OFFICE OF THE COMPANY FROM ONE STATE TO ANOTHER STATE

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

“**RESOLVED THAT** pursuant to the provisions of Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 (“Act, 2013”) read with the rules framed thereunder (“Rules”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government (Powers delegated to Regional Director), and such other approvals, permissions and sanctions as may be required under the provisions of the Act, 2013 or under any other law for the time being in force, the consent of the Members of the Company be and is hereby accorded for shifting the Registered Office of the Company **from the State of Karnataka to the State of Maharashtra.**

RESOLVED FURTHER THAT upon shifting of the registered office becoming effective, the existing Clause II of the Memorandum of Association of the Company be substituted as follows:

“The Registered Office of the Company will be situated in the State of Maharashtra”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to engage counsels/consultants/executives/advisors to represent the Company and appear on its behalf before the Central Government, Regional Director, Registrar of Companies, and other regulatory authorities in this matter and obtain the necessary directions and/or Order(s) upon confirmation by the concerned Regulatory Authority and do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution including but not limited to signing, certification and filing of the e-forms with the Registrar of Companies.”

5) APPOINTMENT OF MR. JAIMIN PATWA (DIN: 08613495) AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV

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and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Jaimin Patwa (DIN: 08613495), who was appointed as an Additional Independent Director of the Company with effect from May 11, 2020 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from May 11, 2020;

RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) and/or Company Secretary of the Company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6) APPOINTMENT OF MR. ESHANYA GUPPTA (DIN: 01727743) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Eshanya Gupta (DIN: 01727743), who was appointed as an Additional Independent Director of the Company with effect from May 31, 2020 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from May 31, 2021;

RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) and/or Company Secretary of the Company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7) APPOINTMENT OF MR. JAY SHAH (DIN: 09072405) AS WHOLE TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of Board of Directors, consent and approval of the

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Members be and is hereby accorded to appoint Mr. Jay Shah (DIN: 09072405) as a Wholetime Director for a period of 5 (five) years on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit during his tenure as Wholetime Director of the Company, provided that such revision in remuneration does not exceed the limits approved by the Members and as prescribed under Section 197 read with Schedule V of the Act or any other statutory modification(s) or re-enactment(s) thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8) INCREASE IN BORROWING LIMITS UNDER SECTION 180(1)(C) AND CREATION OF CHARGE ON THE ASSETS OF THE COMPANY UNDER SECTION 180(1)(A) OF THE ACT INCLUDING APPROVAL FOR SALE OF UNDERTAKING

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a), 180(1)(c) and all other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow moneys from time to time and, if it thinks fit, for creation of such mortgage, charge and/or hypothecation as may be necessary, in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such of the assets of the Company, both present and future, and/or on the whole or substantially the whole of the undertaking or the undertakings of the Company, in such manner as the Board may direct, in favour of financial institutions, investment institutions, banks, insurance companies, mutual funds, trusts, other bodies corporate or any other person(s) (hereinafter referred to as the "Lending Agencies") and / or Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/ foreign currency loans, debentures, bonds and other instruments, including but not restricted to securing those facilities which have already been sanctioned, including any enhancement therein, even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed at anytime, the aggregate of the paid-up share capital, free reserves and securities premium reserve of the Company, upto a limit of an outstanding aggregate value of Rs. 50 Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the

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Trustees under the Trust Deed and / or to the Lending Agencies under their respective Agreements/Loan Agreements/Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings;

RESOLVED FURTHER THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder the consent of members of the Company be and is hereby accorded (including any ratification, if any) consent of the Members be and is hereby accorded to the Board and authorize the Board to sell, lease or otherwise dispose of the whole or substantially the whole of any 'undertaking' of the Company on such terms and conditions as the Board may deem fit and necessary in the bonafide interest of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

9) INCREASE IN LIMITS FOR INVESTING, GRANTING LOANS, PROVIDING SECURITY AND GIVING GUARANTEE UNDER SECTION 186

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

"RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and subject to such approvals as may be required in this regard, approval of the Members be and is hereby accorded to the Board of Directors of the Company to (a) grant/give loans, from time to time, on such terms and conditions as it may deem expedient, to any person or other bodies corporate; (b) provide guarantee / security to secure any loan / obligations of any other person or bodies corporate; and (c) acquire by way of subscription, purchase or otherwise the securities of any other bodies corporate, in excess of limits prescribed under Section 186 of the Companies Act, 2013 by an aggregate sum of upto Rs. 50 Crores (Rupees Fifty Crores only), notwithstanding that the aggregate of loans and investments so far made and/or guarantees so far issued to entities other than wholly owned subsidiaries of the Company, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed limits prescribed under Section 186 of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or

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expedient, or settle the terms and conditions of such transaction(s), from time to time, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.”

For Valencia Nutrition Limited

Sd/-

Stavan Ajmera
Chairman
(DIN: 08112696)
Place: Mumbai

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. Additional information of Director seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice.
2. In view of the COVID-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. MCA vide its Circular No. 02/2021 dated January 13, 2021 extended the time line for holding of Annual General Meetings through VC/OAVM till December 31, 2021. Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020, permitted holding of Annual General Meetings through VC/OAVM which was further extended by its circular dated January 15, 2021 ("SEBI Circulars") till December 31, 2021. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circulars, the Eighth Annual General Meeting (AGM) of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
3. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

5. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. The Register of Directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e. September 28, 2021. Members seeking to inspect such documents can send an email to compliance@valencianutrition.com.
7. Member holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA viz. Bigshare Services Private Limited.
8. 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 their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company/ RTA viz. Bigshare Services Private Limited.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021.**

10. Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
2. The facility for e-voting will be provided during the Annual General Meeting. The procedure for the same is explained below.
3. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on **Saturday, 25th September, 2021 (9:00 a.m.)** and ends on **Monday, 27th Septmeber, 2021 (5:00 p.m.)**. During this period members’ of the

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Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of Tuesday, 21st September, 2021**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. The process and manner for remote e-voting and joining the AGM is given as Annexure 1 of this Notice.
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 i.e. Tuesday, 21st September, 2021 shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM. Any person who becomes a Member of the Company after sending of Annual Report and holding shares as on Tuesday, September 21, 2021 shall also follow the procedure stated herein. A person who is not a Member as on Tuesday, September 21, 2021 should treat this Notice for information purposes only.
12. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
13. M/s. Krupa Joisar & Associates represented by its Proprietor Ms. Krupa Joisar, Practicing Company Secretary (C.P. No.:15263) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the e-voting at the AGM and remote e-voting process in a fair and transparent manner.
14. The Scrutinizer shall after the conclusion of e-voting at the AGM, shall provide 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 the voting within two working days of the conclusion of the AGM to the Stock Exchanges as required under Regulation 44(3) of the SEBI Listing Regulations.
15. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.valencianutrition.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
16. GREENINTIATIVE
As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual reports, notices, circulars to shareholders at their e-mail address previously registered with the depository participants (DPs)/Company/registrar and share transfer agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the endeavor to save trees and protect the planet. Those holding shares in demat form can register their email address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Bigshare Services Pvt. Ltd, by

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sending a duly filed “registration / updation of shareholder information form” available on the website of the Company, duly signed by the first /sole holder quoting details of foliono.

17. As per regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact Company or Company’s Registrar and Transfer Agents of the Company for any support in this regard.
18. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
19. All queries relating to Share Transfer and allied subjects should be addressed to:
Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East,
Mumbai – 400 059

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”) & RULES MADE THEREUNDER AND APPLICABLE LAWS

Item No. 4

As majority of new management of the Company belongs to Mumbai, Maharashtra, the Company wishes to change the registered office of the Company from the State of Karnataka to State of Maharashtra as this will save the administrative costs of the Company and will also provide new business avenues. Also, majority of members of the Company are based in and around Mumbai, Maharashtra

The Board of Directors of the Company at its meeting held on September 1, 2021, proposed to shift the Registered Office of the Company from the State of Karnataka to the State of Maharashtra, considering, interalia, the following reasons:

- a) To exercise the better administrative and economic control over the Company;
- b) To encourage the shareholders’ participation in the general meetings of the Company;
- c) To increase operational and management efficiency;
- d) To integrate business functions, and optimization of administrative expenses

Further, the proposed shifting of the office is not prejudicial to the interest of any employees, shareholders, creditors or any other stakeholders.

Since the aforementioned amendment falls within the ambit of Section 13 of the Companies Act, 2013, approval of members is sought by way of a Special Resolution. Further, the alteration of Memorandum

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of Association relating to the place of Registered Office from one State to another shall not take effect unless approved by the Central Government (powers delegated to the Regional Director).

None of the Directors, Promoters and Key Managerial Personnel of the Company or their respective relatives except to the extent of their shareholding entitlements, if any, are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

Item No. 5

The Nomination and Remuneration Committee after considering the skills, experience and expertise recommended the name of Mr. Jaimin Patwa for appointment of independent director and the Board of Directors of the company through resolution passed in their meeting held on May 11, 2020 had appointed Mr. Jaimin Patwa as Additional Director of the company till the date of the ensuing annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the member's of the company is required for regularization of Mr. Jaimin Patwa as Director of the company. None of the Director's of the company is concerned or interested in the resolution. The Board recommends the resolution set forth in item no.5 for the approval of the members.

Brief Profile of Jaimin Patwa is mentioned below:

| Sr. No | Details of events that need to be provided | Information of such event(s) |
|--------|---|--|
| 1. | Reason for change viz. appointment, resignation, removal, death or otherwise; | Mr. Jaimin Patwa has been appointed as an Additional Independent Director of the Company. |
| 2. | Date of appointment (as applicable) Term of appointment | Effective from May 11, 2020 Mr. Jaimin Patwa will be responsible for all functions of an Independent Director of the Company for a term of 5 years. |
| 3. | Brief Profile (in case of appointment) | MBA in Capital Market. He has immense knowledge and experience of 9 years in the Capital Market. |
| 4. | Disclosure of relationships between directors (in case of appointment of a director). | Not Applicable |

Item No. 6

Appointment of Mr. Eshanya Gupta as an Independent Director.

The Nomination and Remuneration Committee after considering the skills, experience and expertise

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recommended the name of Mr. Eshanya Gupta for appointment of independent director and the Board of Directors of the company through resolution passed in their meeting held on May 31, 2021 had appointed Mr. Eshanya Gupta as an Additional Director of the company till the date of the ensuing annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the member's of the company is required for regularization of Mr. Eshanya Gupta as director of the company. None of the Director's of the company is concerned or interested in the resolution. The Board recommends the resolution set forth in item no.6 for the approval of the members.

Brief Profile of Mr. Eshanya Gupta is mentioned below:

| Sr. No | Details of events that need to be provided | Information of such event(s) |
|--------|---|---|
| 1. | Reason for change viz. appointment, resignation, removal, death or otherwise; | Mr. Eshanya Gupta has been appointed as an Additional Independent Director of the Company. |
| 2. | Date of appointment (as applicable) Term of appointment | Effective from May 31, 2021 Mr. Eshanya Gupta will be responsible for all functions of an Independent Director of the Company for a term of 5 years. |
| 3. | Brief Profile (in case of appointment) | Mr. Eshanya Gupta is a competent professional having more than 23 years of experience in the field of Corporate Finance, Strategic Finance, Strategic Planning & execution, Fund Raising, Project Financing, Financial Accounting, Treasury & Taxation & setting up of Overseas Subsidiary & also demonstrated success scaling companies in private & public organisation. He is recognized for maximizing company performance by implementing appropriate funding tactics, including venture capital, debt, crossover financing & public offerings. He has managed a group of companies with a turnover of more than Rs 1000 Crores & having expertise in areas related to Banking, Import & Export, Liasoning with the government institutions & litigation related to companies. He has served as a Director Finance & HR in Pune based company for 16 years & also served as a Director in a subsidiary company at Singapore & Oman. These companies are |

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| | | involved in varied business activities in varied segments. Also, he is serving as an Independent Director & Member of audit committee & member of nomination & remuneration committee at D&H sIndia Ltd, BSE listed company. |
| 4. | Disclosure of relationships between directors (in case of appointment of a director). | Not Applicable |

Item No 7:

Appointment of Mr. Jay Shah as a Whole time Director.

In terms of provisions of Section 196, 197, 198 and Schedule V of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on September 1, 2021 has, subject to approval of members, appointed Mr. Jay Shah as a Wholetime Director for a period of 5 (five) years from September 1, 2021, on terms and conditions including remuneration as recommended by Nomination and Remuneration Committee of the Board and approved by the Board. It is proposed to seek the members' approval for the appointment of Mr. Jay Shah as a Wholetime Director on the terms and conditions including terms of remuneration as may be discussed between Mr. Jay Shah and the Board of Directors of the Company.

The Board of Directors are of the opinion that Mr. Jay Shah (DIN: 09072405) who devotes his whole time of working hours to the company and as on the date of this AGM Notice hold no shares of the Company.

The terms and conditions including the remuneration to be paid in the event of Loss or inadequacy of profit in any financial year during the tenure of his appointment shall be within the limits as prescribed in Schedule V.

1. Basic Salary:

As the Company is in losses, the Board in its meeting held on September 1, 2021 has decided not to pay any salary, temporarily. Once the operations of the Company are streamlined, on the basis of recommendation of NRC the Board shall decide on the same in accordance with the limits specified in Schedule V of the Companies Act, 2013, as amended from time to time.

2. Perquisites & Allowances

In addition to the prescribed basic salary, special allowance and performance linked incentive shall be paid; Mr. Jay Shah will also be entitled to perquisites and allowances like dearness allowance, conveyance expense and leave travel allowance as per the policy of the Company.

3. General

- i. The Director shall perform his duties as such with regard to all the work of the Company and shall manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects.
- ii. The Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
- iii. The Director shall adhere to the Company's Code of Ethics & Conduct

The Board of Directors will determine the amount of increments payable every year depending on the performance of the Wholetime Director, profitability of the Company and other relevant factors

Mr. Jay Shah satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Subsection (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act.

Pursuant to the provisions of Sections 196, 197, 198 Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and such other necessary approval(s), consent(s) or permission(s), as may be required, the consent of the Members of the Company is sought for his appointment as a Wholetime Director.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) is concerned or interested financially or otherwise, in this resolution

The brief profile is enclosed herewith:

| | |
|---|---|
| Name of the Director | Mr. Jay Shah |
| DIN | 09072405 |
| Age | 22 years |
| Date of Birth | 30/09/1998 |
| Date of Appointment as Wholetime Director | 01/09/2021 |
| Qualifications | Post graduate diploma in finance management from Narsee Monjee Institute of Management Studies (NMIMS). He cleared mutual fund distribution module of AMFI (Association of Mutual funds India) and he is also cleared level 1 of CFA (Chartered Financial Analyst, USA). He is also having the Degree of BFM (Bachelor of financial markets) from Narsee Monjee School of Commerce and economics. |
| Shareholding in the Company | Nil |

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| Nature of Expertise & Experience | Worked as Deputy Manager-Wealth with ICICI Bank from June, 2019 till September, 2020. |
| Terms and Conditions of Appointment/re- appointment | Tenure of the appointment will be for five years with effect from September 1, 2021 |
| Details of Remuneration sought to be paid | Within the limits specified under Schedule V |
| Remuneration last drawn | Nil |
| Number of Meetings attended during the year | For the the board meetings held from 1st April, 2020 to 31st March, 2021, none of the meetings were attended by Mr. Jay Shah as he got appointed on 1st March, 2021 as an additional director. |
| Relationship with other Director, Manager and other Key Managerial Personnel of the Company | Not Applicable |
| Name of the other Companies in which also holds Directorship | None |

Particulars of Information as per Schedule V under section 196 and 197 of Companies Act, 2013

| | |
|---|-----------------------------------|
| I. General information: | |
| (1) Nature of industry | Non-Alcoholic Beverages |
| (2) Date or expected date of commencement of commercial production | Date of incorporation: 01/04/2013 |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | N.A |

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|---|---|----------------------|----------------------|
| (4) Financial performance based on given indicators | Particulars | 2020-21 | 2019-20 |
| | Total revenue for the year | 97,78,137 | 2,37,40,604 |
| | Profit before depreciation, exceptional Items & Taxes | (2,96,81,445) | (4,21,37,552) |
| | Depreciation for the year | 13,42,663 | 12,28,002 |
| | Profit before exceptional items | (3,10,24,108) | (4,33,65,555) |
| | Exceptional items | (47,40,000) | - |
| | Profit/(loss) before tax | (3,57,64,108) | (4,33,65,555) |
| | Tax for the year (including deferred tax - net) | - | - |
| | Net profit / (loss) | (3,57,64,108) | (4,33,65,555) |
| | (5) Foreign investments or collaborations, if any. | Nil | |
| II. Information about the appointee: | | | |
| (1) Background details | Post graduate diploma in finance management from Narsee Monjee Institute of Management Studies (NMIMS). He cleared mutual fund distribution module of AMFI (Association of Mutual funds India) and he is also cleared level 1 of CFA (Chartered Financial Analyst, USA). He is also having the Degree of BFM (Bachelor of | | |

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| | financial markets) from Narsee Monjee School of Commerce and economics. |
| (2) Past remuneration | Nil |
| (3) Recognition or awards | - |
| (4) Job profile and his suitability | Appointment as Wholetime Director |
| (5) Remuneration proposed | As the Company is in losses, the Board in its meeting held on September 1, 2021 has decided not to pay any salary, temporarily. Once the operations of the Company are streamlined, on the basis of recommendation of NRC the Board shall decide on the same in accordance with the limits specified in Schedule V of the Companies Act, 2013, as amended from time to time. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The remuneration that will be paid to Mr. Jay Shah is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and its group and diverse nature of its businesses. Moreover in his position as Wholetime Director and Chief Financial officer of the Company, Mr. Jay Shah devotes his substantial time in overseeing the operations of the Company. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | Not Applicable |
| III. Other information: | |
| (1) Reasons of loss or inadequate profits | The Company has not incurred adequate profit on financial year ended March 31, 2021 due to market situation which worsened due to the global pandemic - COVID 19. |

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| (2) Steps taken or proposed to be taken for improvement | The Company is in process of launching new products to meet the consumer demand. |
| (3) Expected increase in productivity and profits in measurable terms | The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve operational and financial performance |
| IV. Disclosures | As provided to the Board in Board meeting dated September 1, 2021. |

Item No. 8

The operations of the Company will increase substantially and in order to meet the growing fund requirements of the Company for both short term as well as long term and for general corporate purposes, the Company may require to borrow, from time to time, by way of loans and/or issue of bonds, debentures or other securities and it is therefore recommended to enhance the borrowing limits of the Company upto Rs.50 Crores. Similarly, the Company might have to create charge over its assets or provide it as a security or provide guarantee against the borrowed funds under the provisions of the Section 180(1)(a) of the Companies Act, 2013 and it is therefore proposed to enhance the limit upto Rs. 50 Crore under the provisions of the Section 180(1)(a). It is hereby informed to the members that to meet the funding requirement, the Company has sold one of its land situated at Bangalore and accordingly seek ratification of the members for the same.

Further, Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act 2013, the Board of Directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business and provide guarantee or security against any assets of the Company against such borrowed funds, with the consent of the Company by a special resolution.

None of the Directors, Promoters and Key Managerial Personnel of the Company or their respective relatives except to the extent of their shareholding entitlements, if any, are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.8 of the Notice.

Item No. 10

Pursuant to the Section 186(2) of the Companies Act, 2013, no Company shall directly or indirectly give any loan to any person or other body corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, or invest its funds, exceeding

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sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more without availing approval of the members via special resolution.

Accordingly, it is recommended to make necessary proposal to seek the approval of the shareholders to authorize the acquisition of securities, giving loans, guarantees or providing securities or invest the funds of the Company upto Rs.50 Crore (Fifty Crore only) under Section 186(3) of the Companies Act, 2013 by way of a special resolution.

None of the Directors, Promoters and Key Managerial Personnel of the Company or their respective relatives except to the extent of their shareholding entitlements, if any, are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 10 of the Notice.

For **VALENCIA NUTRITION LIMITED**

Sd/-

Stavan Ajmera

(DIN: 08112696)

Place: Mumbai

Date: September 01, 2021

Annexure - A

The relevant details of Directors who is proposed to be re-appointed Directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

| Particulars | Mr. Manish Turakhia |
|--|--|
| Current Position | Non-Executive Director (Liable to retire by rotation) |
| Age | 55 Years |
| sQualification | B.Com |
| Experiencess | 35 years of industrial experience. |
| Date of first Appointment | 18/12/2017 |
| Remuneration Drawn | Nil |
| Terms and Conditions of Re - Appointment | Appointed as a Director liable to retire by rotation |
| Number of Board Meetings attended during the year | 7 |
| Shareholding in the Company | 8,27,879 |
| Relationship with Other Directors | There is no relationship with any of the Directors |
| Directorship in other listed entities | Nil |
| Memberships / Chairmanship of Committees in other Companies | Nil |
| Other Directorships | Veer Haria Securities Private Limited Veer Capital Management Private Limited |



THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Saturday, September 25, 2021 at 9:00 am and ends on Monday, September 27, 2021 at 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 Tuesday, September 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type | of | Login Method |
|------|----|--------------|
|------|----|--------------|

| shareholders | |
|---|--|
| <p>Individual Shareholders holding securities in Demat mode with CDSL</p> | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |

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| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| <p>Individual Shareholders (holding securities in</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option.</p> |

| | |
|--|---|
| demat mode) login through their Depository Participants | Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|---|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | |
|--|--|
| | For Physical shareholders and other than individual shareholders holding shares in Demat.s |
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

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- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@valencianutrition.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

BOARD'S REPORT

To,
The Members,

Your Directors take pleasure in presenting their ***Eighth Annual Report*** on the Business and Operations of the Company and the Accounts for the Financial Year ended 31st March, 2021 (period under review).

1. FINANCIAL PERFORMANCE OF THE COMPANY:

The summary of standalone financial highlights for the financial year ended March 31, 2021 and the previous financial year ended March 31, 2020 is given below:

| Particulars | Amount in Rs. | |
|---|----------------------|----------------------|
| | 2020-21 | 2019-20 |
| Total revenue for the year | 97,78,137 | 2,37,40,604 |
| Profit before depreciation, exceptional Items & Taxes | (2,96,81,445) | (4,21,37,552) |
| Depreciation for the year | 13,42,663 | 12,28,002 |
| Profit before exceptional items | (3,10,24,108) | (4,33,65,555) |
| Exceptional items | (47,40,000) | - |
| Profit/(loss) before tax | (3,57,64,108) | (4,33,65,555) |
| Tax for the year (including deferred tax - net) | - | - |
| Net profit / (loss) | (3,57,64,108) | (4,33,65,555) |

FINANCIAL PERFORMANCE:

The Total Income of the Company stood at Rs. 97,78,137/- for the year ended March 31, 2021 as against Rs. 2,37,40,604/- in the previous year. The Company incurred a Net loss of Rs. 3,57,64,108/- for the year ended March 31, 2020 as compared to the Net loss of Rs. 4,33,65,555/- in the previous year.

2. DIVIDEND:

As the Company incurred a net loss during the year, your Directors do not propose any dividends for the Financial Year ending 31st of March, 2021.

3. TRANSFER TO RESERVE:

The Company has not transferred any amount to the General Reserves during the year.

4. UNPAID DIVIDEND & IEPF:

The Company was not required to transfer any amount to the Investor Education & Protection Fund (IEPF).

5. STATE OF AFFAIRS OF THE COMPANY:

Information on the operations and financial performance, among others for the period under review, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a) Composition & Constitution of Board of Directors:

The Board of Directors as on date comprises of following Directors:

| Sr. No. | Name | DIN/ PAN | Designation |
|---------|----------------------------|----------|---|
| 1. | Mr. Stavan Ajmera | 08112696 | Chairman, Non-Executive Director |
| 2. | Mr. Manish Turakhia | 02265579 | Non-Executive Director |
| 3. | Mr. Jay Jatin Shah* | 09072405 | Executive Director (Wholetime Director) |
| 4. | Mr. Eshanya Gupta** | 01727743 | Non-Executive Independent Director |
| 5. | Mr. Jaimin Patwa*** | 08613495 | Non-Executive Independent Director |
| 6. | Ms. Prabha Shankaran | 07906258 | Executive Director |
| 7. | Mr. Haresh Sanghvi**** | 00006301 | Non-Executive Director |
| 8. | Mr. Guhesh Ramanathan***** | 03579684 | Non-Executive Independent Director |
| 9. | Ms. Deepthi Anand***** | 05246641 | Managing Director |

*Mr. Jay Shah (DIN: 09072405) was appointed as an additional executive director with effect from 1st March, 2021. Further , subject to shareholders' approval the Board appointed him as a Wholetime Director.The Boards recommends his appointment for shareholders' approval.

** Mr. Eshanya Gupta (DIN:01727743) was appointed as an additional director (Non-Executive Independent director) with effect from 31st May, 2021. The Boards recommends his appointment for shareholders' approval

*** Mr. Jaimin Patwa (DIN:08613495) was appointed as an additional director (Non-Executive Independent director) with effect from 11th May, 2020. The Boards recommends his appointment for shareholders' approval

**** Mr. Haresh Sanghvi (DIN: 00006301)resigned as Non-Executive Director with effect from 31st May, 2021.

He was re-categorised from Non-Executive Independent Director to Non-Executive Director with effect from 11th May, 2020

***** Mr. Guhesh Ramanathan (DIN: 03579684)resigned as Non-Executive Independent Director with effect from 29th December, 2020 as he was pre-occupied with personal things.

***** Ms. Deepthi Anand (DIN: 05246641s)resigned as Managing Director with effect from 31st January, 2021.

b) Composition & Constitution of Key Managerial Personnel:

The Key Managerial Personnels as on date comprises of following:

| S | Name | DIN/ PAN | Designation |
|----------|------------------------|-----------------|--|
| 1. | Mr. Himanshu Pareek # | CRKPP5901N | Company Secretary and Compliance Officer |
| 2. | Mr. Peeyush Agrawal## | BCEPA8224M | Chief Financial Officer |
| 3. | Mr. Adarsha K R### | BMPPA3364P | Company Secretary and Compliance Officer |
| 4. | Mr. Jay Jatin Shah#### | BJPPS6293E | Chief Financial Officer |

Mr. Himanshu Pareek (PAN: CRKPP5901N) was appointed as the Company secretary and Compliance Officer of the Company with effect from 24th May, 2021.

Mr. Peeyush Agarwal (PAN: BCEPA8224M) resigned as Chief Financial Officer of the Company with effect from 1st March, 2021.

Mr. Adarsha K R (PAN: BMPPA3364P)resigned as Company Secretary and Compliance Officer of the Company with effect from 5th October, 2021.

####Mr. Jay Jatin Shah having (PAN: BJPPS6293E was appointed as a Chief Financial Officer (CFO) with effect from 1st March, 2021.

i. Committees of Board of Directors

The Board as on date has three Committees of Board of Directors consisting of the following members:

a. Audit Committee

- Mr. Jaimin Patwa–Chairman, Non-Executive Independent Director
- Mr. Jay Shah –Member, Executive Director & CFO
- Mr. Eshanya Gupta –Member, Non-Executive Independent Director

b. Nomination and Remuneration Committee

- Mr. Jaimin Patwa–Chairman, Non-Executive Independent Director
- Mr. Eshanya Gupta –Member, Non-Executive Independent Director
- Mr. Stavan Ajmera –Member, Non-Executive Director

c. Stakeholder’s Relationship Committee

- Mr. Jaimin Patwa–Chairman, Non-Executive Independent Director
- Mr. Manish Turakhia –Member, Non-Executive Director
- Mr. Stavan Ajmera –Member, Non-Executive Director

ii. Independent Directors

Independent Directors have provided their confirmation, that they meet the criteria of independence as provided in sub- section (6) of Section 149 of the Companies Act, 2013. An Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for the next five years on the passing of a special resolution by the Company.

Mr. Eshanya Biharielall Gupta was appointed to the Board as an Additional and Non-Executive Independent Director with effective from May 31, 2021 for a period of five years subject to the approval of shareholders. The Board recommends his appointment to the shareholders.

Familiarisation Programme for Independent Directors The Company has an orientation programme upon induction of new Directors as well as other initiatives to update Directors on a continuous basis. The details of familiarisation programme of independent directors are available on the Company’s website at www.valencianutrition.com.

iii. Retirement by Rotation of the Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association

of the Company, Mr. Manish Turakhia, Non-Executive Director of the Company, retires by rotation and offers himself for re- appointment.

The brief resume of Mr. Manish Turakhia, the nature of his expertise in specific functional areas, names of the companies in which he has held Directorships, his shareholding etc. are furnished in the “Annexure A” to notice of the ensuing Annual General Meeting.

iv. Key Managerial Personnel

Mr. Himanshu Pareek has been appointed as a Company Secretary and Compliance Officer of the Company with effect from May 24, 2021.

Mr. Jay Shah has been appointed as Chief Financial Officer of the Company with effect from 1st March, 2021.

7. MEETINGS:

During the year under review, the Board of your Company met seven (7) times. The details of Board Meeting held and participation of Directors thereat is enumerated as below:

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|----------------|------------------------|--|----------------------------------|------------------------|
| 1 | 11-05-2020 | 6 | 6 | 100.00 |
| 2 | 31-07-2020 | 7 | 7 | 100.00 |
| 3 | 25-08-2020 | 7 | 7 | 100.00 |
| 4 | 06-09-2020 | 7 | 7 | 100.00 |
| 5 | 09-10-2020 | 7 | 7 | 100.00 |
| 6 | 14-11-2020 | 7 | 7 | 100.00 |
| 7 | 01-03-2021 | 5 | 5 | 100.00 |

The details of Board Meetings held from April 01, 2020 to March 31, 2021 and attendance of each Director thereat is as follows:

| Sr. No. | Name of the Board Member | No. of Meetings entitled to attend | No. of Meetings attended | % of Attendance |
|----------------|---------------------------------|---|---------------------------------|------------------------|
| 1. | Mr. Stavan Ajmera | 7 | 7 | 100 |
| 2. | Mr. Manish Turakhia | 7 | 7 | 100 |
| 3. | Mr. Jaimin Patwa | 6 | 6 | 100 |
| 4. | Ms. Prabha Shankaran | 7 | 7 | 100 |
| 5. | Mr. Haresh Sanghvi | 7 | 7 | 100 |
| 6. | Mr. Guhesh Ramanathan | 6 | 6 | 100 |

| | | | | |
|----|-------------------|---|---|-----|
| 7. | Ms. Deepthi Anand | 6 | 6 | 100 |
|----|-------------------|---|---|-----|

8. **AUDIT COMMITTEE:**

There was change in constitution of Audit Committee. Mr. Guhesh Ramanathan, Mr. Haresh Sanghvi and Mr. Manish Turakhia stepped down from the Committee with effect from 29th December, 2020, 31st July, 2021 and 31st May, 2021 respectively whereas Mr. Jaimin Patwa, Mr. Eshanya Gupta and Mr. Jay Shah joined the Committee with effect from 11th May, 2020, 31st May, 2021 and 31st May, 2021 respectively.

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee met Four (4) times during the financial year ended 31st March 2021.

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---------|-----------------|---|---------------------------|-----------------|
| 1 | 11-05-2020 | 3 | 3 | 100% |
| 2 | 31-07-2020 | 3 | 3 | 100% |
| 3 | 14-11-2020 | 3 | 3 | 100% |
| 4 | 01-03-2021 | 2 | 2 | 100% |

The details of Audit Committee Meetings held from April 01, 2020 to March 31, 2021 and attendance of each Director thereat is as follows:

| Sr. No. | Name of the Committee Member | No. of Committee Meetings entitled to attend | No. of Meetings attended | % of Attendance |
|---------|------------------------------|--|--------------------------|-----------------|
| 1. | Mr. Guhesh Ramanathan | 3 | 3 | 100 |
| 2. | Mr. Manish Turakhia | 4 | 4 | 100 |
| 3. | Mr. Haresh Sanghvi | 2 | 2 | 100 |
| 4. | Mr. Jaimin Patwa | 2 | 2 | 100s |

The Committee is governed by a terms of reference, which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement, to be included in our Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - (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; and
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of our Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of our Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
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 of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our 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. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) 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. reviewing the utilization of loans and/ or advances from/investment by the holding company in

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the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.]

22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Company Secretary acts as the Secretary to the Committee.

9. NOMINATION AND REMUNERATION COMMITTEE:

There was change in constitution of Nomination and Remuneration Committee. Mr. Guhesh Ramanathan, Mr. Haresh Sanghvi and Mr. Manish Turakhia stepped down from the Committee with effect from 29th December, 2020, 31st May, 2021 and 31st May, 2021 respectively whereas Mr. Jaimin Patwa, Mr. Eshanya Gupta and Mr. Stavan Ajmera joined the Committee with effect from 11th May, 2020, 31st May, 2021 and 31st May, 2021 respectively

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

During the year, the committee met once with full attendance of all the members. The composition of the Nomination and Remuneration Committee as of March 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

| S.N | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | %of Attendance |
|------------|------------------------|--|----------------------------------|-----------------------|
| 1 | 11-05-2020 | 3 | 3 | 100% |

The details of Nomination and Remuneration Committee Meetings held from April 01, 2020 to March 31, 2021 and attendance of each Director thereat is as follows:

| Sr. No. | Name of the Committee Member | No. of Committee Meetings entitled to attend | No. of Meetings attended | % of Attendance |
|----------------|-------------------------------------|---|---------------------------------|------------------------|
| 1. | Mr. Guhesh Ramanathan | 1 | 1 | 100 |
| 2. | Mr. Manish Turakhia | 1 | 1 | 100 |
| 3. | Mr. Hareesh Sanghvi | 1 | 1 | 100 |

The terms of reference of the Committee inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to our Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent Directors and our Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to our Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

10. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has Stakeholders' Relationship Committee, as per Section 178 (5) of Companies Act, 2013, under Chairmanship of Mr. Stavan Ajmera. Ms. Deepthi Anand stepped down from the Committee on 31st January, 2021 and Mr. Jaimin Patwa joined the Committee as a Chairman and Mr. Stavan Ajmera became the member of the Committee with effect from 31st May, 2021. During the year, the committee met three (3) times with full attendance of all the members. The composition of the Stakeholders' Relationship Committee as at March 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | %of Attendance |
|----------------|------------------------|--|----------------------------------|-----------------------|
| 1 | 11-05-2020 | 3 | 3 | 100% |
| 2 | 31-07-2020 | 3 | 3 | 100% |
| 3 | 14-11-2020 | 3 | 3 | 100% |

The details of Stakeholders' Relationship Committee Meetings held from April 01, 2020 to March 31, 2021 and attendance of each Director thereat is as follows:

| Sr. No. | Name of the Committee Member | No. of Committee Meetings entitled to attend | No. of Meetings attended | % of Attendance |
|----------------|-------------------------------------|---|---------------------------------|------------------------|
| 1. | Mr. Stavan Ajmera | 3 | 3 | 100 |
| 2. | Mr. Manish Turakhia | 3 | 3 | 100 |
| 3. | Ms. Deepthi Anand | 3 | 3 | 100 |

The terms of reference of the Committee are:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, there were no complaints received from shareholder on SCORES. There are no balance complaints. The Company had no share transfers pending as on March 31, 2021.

11. BOARD EVALUATION:

Your Board has devised an Evaluation Policy for evaluating the performance of the Board, its Committees, Executive Directors, Independent Directors. Based on the same, the performance was evaluated for the financial year ended March 31, 2021. As part of the evaluation process, the performance of Non- Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non- Independent Directors was done by the Board excluding the Director being evaluated.

The policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, and relationship with the stakeholders, corporate governance practices, contribution of the committees to the Board in discharging its functions etc.

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual Directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual Directors and Chairman of the Company. The performance

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evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Wholetime Director and the Board as a whole was carried out by the Independent Directors at their separate meeting.

12. WEBLINK OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the financial year ending on March 31, 2021 is available on the Company's website <https://www.valencianutrition.com>.

13. REMUNERATION POLICY:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. The compensation reflects each Board member's responsibility and performance. The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which is available on the Company's website <https://www.valencianutrition.com>.

14. AUDITORS:

i. Statutory Auditors:

As the Company received resignation of M/s . Manian and Rao with effect from September 1, 2021 the Board recommends the appointment of M/s. Shah & Modi, Chartered Accountants having FRN: 112426W as the Statutory Auditor of the Company for the period for 5 years who shall hold office from the date of ensuing AGM to 13th AGM.

The notes on financial statements referred to in the Auditors Report are self explanatory and do not call for any further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark. No instances of fraud have been reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013.

ii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed VB & Associates, represented by its Proprietor Mr. Vighneshwar Bhat, a firm of

Company Secretaries in Practice (CP No. 10012), to undertake the Secretarial Audit of the Company for the F.Y. 2020-21. The Secretarial Audit Report for F.Y. 2020-21 is annexed herewith as "Annexure I" to the Board's Report.

Explanation to the qualifications made by Auditors in their report is explained as under:

(a) The vacancy created, on resignation of Mr. Guhesh Ramanathan, Independent Director from the closure of business hours of December 29, 2020, remained unfilled as on March 31, 2021.: The Company did not find a suitable candidate with appropriate expertise and experience to be appointed as an Independent Director. The Board appointed Mr. Eshanya Gupta as a Non-Executive, Independent director with effect from May 31, 2021.

(b) The vacancy created, on resignation of Mr. Adarsha K R, Company Secretary from the closure of business hours of October 5, 2020, remained unfilled as on March 31, 2021: The Company did not find a suitable candidate despite taking necessary efforts. The Company found a suitable candidate and appointed Mr. Himashu Pareek as a Company Secretary and Compliance Officer of the Company with effect from 24th May, 2021.

(c) Company has not got renewal of trade license of registered office from the Municipal corporation of Bengaluru during the year under review: Due to standstill of production and operations, the same was missed out inadvertently and the same has been renewed now.

iii. Cost Auditor:

Appointment of Cost Auditor is not applicable to the Company.

15. VIGIL MECHANISM:

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. Affirmation is also given that no personnel has been denied access to the audit committee.

16. INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been observed.

17. RISK ASSESSMENT AND MANAGEMENT:

The Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. The Company also takes all efforts to train its employees from time to time to handle and minimize these risks.

18. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate companies.

19. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings, respectively.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. **Conservation of Energy**

- a) **The steps taken or impact on conservation of energy** – The Operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.
- b) **The steps taken by the Company for utilizing alternate source of energy** – Company shall consider on adoption of alternate source of energy as and when necessities.
- c) **The Capital Investment on energy conservation equipment** – No Capital Investment yet.

ii. **Technology absorption**

- a) **The efforts made towards technology absorption.** – Minimum technology required for Business is absorbed.
- b) **The benefits derived like product improvement, cost reduction, product development or import substitution** – Not Applicable.
- c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not Applicable.
 - a. the details of technology imported;
 - b. the year of import;
 - c. whether the technology been fully absorbed;
 - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iii. **The expenditure incurred on Research and Development**– Not Applicable.

iv. **Foreign Exchange earnings and outgo:** NIL

21. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

There were no loans, guarantees provided during the year which is falling under section 186 of the companies Act, 2013.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus Disclosure in form AOC-2 is not required. Further, during the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are placed before the Board for review and approval, if required. The details of the related party transactions as required under Indian Accounting Standard (Ind AS) 110 are set out in Note to the financial statements forming part of this Annual Report.

23. DEPOSITS:

Your Company did not accept / hold any deposits from public / shareholders during the year under review.

24. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has framed and adopted the policy for Prevention of Sexual Harassment at Workplace. Company was not in receipt of any complaint of sexual harassment during the year.

26. CHANGES IN NATURE OF BUSINESS

There was a change in nature of Business during the year.

27. CORPORATE SOCIAL RESPONSIBILITY

Since the Company's has not crossed the prescribed limit as mentioned in Section 135 of Companies Act, 2013, this is not applicable to the Company.

28. HUMAN RESOURCES:

Your Company considers people as its biggest assets and 'Believing in People' is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees seek to ensure that business world values and principles are understood by all and are the reference point in all people matters.

The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

As on March 31, 2021, the Company had only 2 employees.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of Directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period.
- iii. They have taken proper and sufficient care for the 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 fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

30. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights as to dividend, voting or otherwise and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

31. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

32. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

33. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

34. REPORTING OF FRAUD:

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

35. CAUTIONARY STATEMENTS:

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

36. ACKNOWLEDGEMENTS:

Your Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company. The Directors express their gratitude towards each one of them.

37. RELATIONSHIPS BETWEEN DIRECTORS INTER SE:

None of the Directors is related to each other and there are no inter se relationships between the Directors

38. SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2021:

No other Director (except as mentioned below) holds any shares in the Company. The Company has not issued any convertible instruments

| Sr. No. | Name of the Directors | Shareholding at the beginning of the year | Shareholding at the end of the year. |
|---------|---|---|--------------------------------------|
| 1. | Mr. Manish Turakhia, Non-Executive Director | 2,38,329 shares (4.27%) | 2,38,329 (4.27%) |
| 2. | Ms. Prabha Shankaran, Executive Director | 10,400 shares (0.19%) | 10,400 shares (0.19%) |
| 3. | Mr. Stavan Ajmera, Non Executive Director | 2,600 shares (0.05%) | 2,600 shares (0.05%) |

39. BOARD-SKILLS/EXPERTISE/COMPETENCIES:

The Board of directors based on the recommendations of the Nomination and Remuneration Committee, identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

| Sr. No | Skills/Expertise/Competencies |
|--------|---|
| 1 | Leadership qualities |
| 2 | Industry knowledge and experience |
| 3 | Understanding of relevant laws, rules and regulations |
| 4 | Financial Expertise |
| 5 | Risk Management |

Following are the details of the skills and competence possessed by the Board of Directors:

| S.N | Name of Directors | Leadership qualities | Industry knowledge and experience | Understanding of relevant laws, rules and regulations | Financial Expertise | Risk Management |
|-----|----------------------|----------------------|-----------------------------------|---|---------------------|-----------------|
| 1 | Mr. Stavan Ajmera | Expert | Expert | Expert | Expert | Expert |
| 2 | Mr. Manish Turakhia | Expert | Expert | Expert | Expert | Expert |
| 3 | Mr. Jay Shah | Expert | Expert | Proficient | Expert | Proficient |
| 4 | Mr. Eshanya Gupta | Expert | Expert | Expert | Expert | Expert |
| 5 | Mr. Jaimin Patwa | Expert | Expert | Expert | Expert | Expert |
| 6 | Ms. Prabha Shankaran | Expert | Expert | Proficient | Proficient | Proficient |

The identified skills / competences are broad-based and marking of 'Proficient' against a particular member does not necessarily mean the member does not possess the corresponding skills / competences.

40. DETAILS OF REMUNERATION TO ALL THE DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Name of the Directorss | Salary, Allowance, perquisites and other benefits | Performance-linked Income/Bonus /Commission Paid/Payable | Stock Option | Pension | Sitting Fees Paid |
|-------------------------|---|--|--------------|---------|-------------------|
| Executive Directors | | | | | |
| Ms. Prabha Shankaran | Rs. 5,73,717/- | Nil | | | |
| Ms. Deepthi Anand | Rs. 14,59,068/- | | | | |
| Mr. Jay Shah | | | | | |
| Non-Executive Directors | | | | | |
| Mr. Stavan Ajmera | Nil | | | | |
| Mr. Manish Turakhia | | | | | |
| Mr. Guhesh Ramanatha | | | | | |

| | |
|--------------------|--|
| n | |
| Mr. Jaimin Patwa | |
| Mr. Haresh Sanghvi | |

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

| S N | Particulars of Remuneration | Remuneration in (Rs.) till the date of employment | | |
|--------|--|---|-----------------------|---------------------|
| | | Company Secretary (Adarsha K R) | CFO (Peeyush Agarwal) | Total |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 15,000 p.m | 1,20,175 p.m | 1,35,175 p.m |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 15,000 p.m | 1,20,175 p.m | 1,35,175 p.m |

Disclosure of Managerial Remuneration

- A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 as well as the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary is as under:

| Name of Director/ Key Managerial Personnel | Ratio to median remuneration | % increase in remuneration over previous year |
|--|------------------------------|---|
| Non-Executive Directors | | |

| | | |
|--------------------------|--|--|
| Mr. Stavan Ajmera | This is not applicable as the Company did not pay any remuneration to its directors. | |
| Mr. Jaimin Patwa | | |
| Mr. Manish Turakhia | | |
| Mr. Haresh Sanghvi | | |
| Mr. Guhesh Ramanathan | | |
| Mr. Eshanya Gupta | | |
| Executive Directors | | |
| Mr. Jay Shah | This is not applicable as the Company did not pay remuneration | |
| Ms. Prabha Shankaran | 2.897:1 | -9.33% |
| Ms. Deepthi Anand | 7.369:1 | 21.59% |
| Key Managerial Personnel | | |
| Mr. Jay Shah | Nil | Not Applicable as Mr. Jay Shah was appointed on 1 st March, 2021. |
| Mr. Adarsha K R. | 0.909:1 | This is not applicable as no increment was made in the FY 2020-21. |
| Mr. Peeyush Agarwal | 7.283:1 | |

B. Percentage decrease in the median remuneration of employees in FY 2020-21: 24.95%

C. Number of permanent employees on the rolls of the Company as on March 31, 2021: Not Applicable

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

| Particulars | % change in remuneration |
|---|--------------------------|
| Average decrease in salary of employees (other than managerial personnel) | 49.90 |
| Average decrease in remuneration of managerial personnel | 23.18 |

Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| 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 | | | | NONE | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | NONE | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | NONE | |
| Punishment | | | | | |
| Compounding | | | | | |

The company didn't approve its annual audited financial results within prescribed timeline under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, and accordingly penalty of Rs. 53,100/- was to be levied by BSE. The payment for the same was made within due time.

41. GENERAL SHAREHOLDER INFORMATION:s

a) 8th Annual General Meeting

| Date | Time | Venue |
|----------------------------------|----------|--|
| 28 th September, 2021 | 11:00 AM | AGM will be held through electronic mode [video conference or other audiovisual means("OAVM")] |

b) Financial Calendar for the year 2020-2021

| | |
|---------------------------|---|
| Financial year | 1 st April, 2020 to 31 st March, 2021 |
| Book Closure Dates | 22 nd September, 2021- 28 th September, 2021 (both days inclusive) |

c) Listing of Equity Shares on Stock Exchange and Stock Codes

Listing on Stock Exchange:
BSE Limited ("BSE")
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 023
SCRIP CODE: 542910

d) Location and time, where Annual General Meeting (AGM) for the last 3 years were held is given below:

s

| Financial Year | AGM | Date | Time | Location |
|----------------|-----------------|-------------------------------|------------|--|
| 2019-20 | 7 th | Wednesday, September 30, 2020 | 11.00 a.m. | 11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd Stage, Bengaluru - 560 085 |
| 2018-19 | 6 th | Monday, 30 September, 2019 | 11.00 a.m. | 11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd Stage, Bengaluru - 560 085 |
| 2017-18 | 5 th | Saturday, 29 September, 2018 | 12.00 p.m. | 11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd Stage, Bengaluru - 560 085 |

e) Stock Market Date and their Performance v/s S&P BSE Sensex

The high/low of the market price of the shares of the Company is as follows:

| Month | BSE (Rs.) | |
|-------------|-----------|-------|
| | High | Low |
| April-2020 | 41 | 38.25 |
| May-2020 | 45 | 40.75 |
| June-2020 | - | - |
| July-2020 | 40.05 | 40.05 |
| August-2020 | 45 | 45 |

| | | |
|----------------|-------|-------|
| September-2020 | 43.25 | 43.25 |
| October-2020 | 44.5 | 44 |
| November-2020 | 40.05 | 40.05 |
| December-2020 | 37.35 | 20.75 |
| January-2021 | 28.5 | 23.55 |
| February-2021 | 28.45 | 20.8 |
| March-2021 | 21.65 | 19.95 |

f) Registrar and Share Transfer Agent (RTA)

REGISTRAR AND SHARE TRANSFER AGENT:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai-400 059

Tel: 022 62638200.

Fax: 2851 2885

website: <https://www.bigshareonline.com/>

Share transfer system:

The Board has the authority for approving transfer, transmission of the Company's securities. The Company ensures that the half yearly Compliance Certificate pursuant to regulations 40(9) and 40 (10) of the SEBI Listing Regulations are filed with the Stock Exchanges.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) cannot be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories.

The Board appreciates that all the members are holding shares in dematerialized form.

Distribution of shareholding:

Nominal Value of Shares: Rs. 10

| Category (Shares) | Shareholders | | Shares | |
|----------------------|--------------|---------|--------|--------|
| | Number | % | Number | % |
| 1001-2000 | 1 | 0.9901 | 1300 | 0.0233 |
| 2001-3000 | 46 | 45.5446 | 137600 | 2.4636 |
| 3001-4000 | 3 | 2.9703 | 11700 | 0.2095 |

| | | | | |
|-------------------|------------|---------|----------------|-----------------|
| 5001-10000 | 17 | 16.8317 | 122950 | 2.2013 |
| 10001 to ***** | 34 | 33.6634 | 5311791 | 95.1024 |
| Total | 101 | | 5585341 | 100.0000 |

g) Dematerialization of Shares:

The Company's shares are required to be compulsorily traded on Stock Exchanges in dematerialized form. The number of shares as on 31st March, 2021 held in dematerialized and physical form are as under:

| Particulars | No. of Shares | % |
|--------------|----------------|------------|
| NSDL | 2483114 | 44.46 |
| CDSL | 3102227 | 55.54 |
| Physical | 0 | 0 |
| Total | 5585341 | 100 |

h) Compliance with mandatory and non-mandatory requirements of the Listing Regulations:

The Company has complied with all mandatory requirements of Listing Regulations and has not adopted any non-mandatory requirements which are not applicable to the Company.

42. Corporate Governance

The Company does not fall under purview of Regulations of Corporate Governance.

Pursuant to Regulation 15 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the provisions of reporting of Corporate Governance as specified in Regulation 27 (2) is not applicable to the Company, as it is SME Listed Company.

Though the Corporate Governance is not applicable to the Company, the Company has given certain disclosures as a practice of good corporate governance.

Registered Office:

No. 372, 1st Floor, Cabin No. 105, WS No. 3, 6th Cross,
Golden Square, Wilson Garden,
Bangalore 560027

Tel : 080 - 26799552

CIN: L51909KA2013PLC068380

Website: <http://www.valencianutrition.com>

Email: info@valencianutrition.com

By Order Of the Board of Directors
For **VALENCIA NUTRITION LIMITED**

Sd/-
Stavan Ajmera
DIN:08112696
The Chairman
Date: September 1, 2021
Place: Mumbai

Sd/-
Jay Jatin Shah
DIN: 09072405
Additional Director

Annexure – I

Form No. MR-3

Secretarial Audit Report for the Financial Year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Valencia Nutrition Limited
No. 372, 1st Floor, Cabin No. 105,
WS No. 3, 6th Cross, Golden Square, Wilson Garden, Bangalore - 560027

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Valencia Nutrition Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Valencia Nutrition Limited for the financial year ended on March 31, 2021 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; (Not applicable to the Company during the Audit Period)
- (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) ssThe 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;

VALENCIA NUTRITION LTD.

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
- (vi) Following other laws are applicable to Company:
- (a) The Indian Contract Act, 1872
 - (b) Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - (c) The Food Safety and Standards Act, 2006
 - (d) Karnataka Municipal Corporation Act, 1976
 - (e) Karnataka Shops and Establishment Act, 1961
 - (f) Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957
 - (g) The Employees' Compensation Act, 1923
 - (h) Payment of Gratuity Act, 1972
 - (i) The Minimum Wages Act, 1948
 - (j) Payment of Bonus Act, 1965
 - (k) The Maternity Benefit Act, 1961
 - (l) The Payment of Wages Act
 - (m) Equal Remuneration Act, 1979
 - (n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - (o) Child Labour (Prohibition and Regulation) Act, 1986
 - (p) Income-tax Act, 1961
 - (q) Central Goods and Services Tax Act, 2017
 - (r) Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976
 - (s) The Standard of Weights and Measures Act, 1976

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

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

- (a) The vacancy created, on resignation of Mr. Guhesh Ramanathan, Independent Director from the closure of business hours of December 29, 2020, remained unfilled as on March 31, 2021.*
- (b) The vacancy created, on resignation of Mr. Adarsha K R, Company Secretary from the closure of business hours of October 5, 2020, remained unfilled as on March 31, 2021.*
- (c) Company has not got renewal of trade license of registered office from the Municipal corporation of Bengaluru during the year under review.*

I further report that

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

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. *There was a delay in intimation of Board meeting to Stock Exchange for the Board meeting dated 14th November, 2020 and for which Company had paid requisite fine as prescribed by the Stock Exchange.*

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are 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.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For VB & Associates
Company Secretaries

Vighneshwar Bhat
Proprietor
Company Secretary in Practice
C.P. No. 10012
Membership No. F10557
UDIN: F010557C000793493

Date: 17.08.2021
Place: Bengaluru

Annexure -I

To,
The Members,
Valencia Nutrition Limited
No. 372, 1st Floor, Cabin No. 105,
WS No. 3, 6th Cross, Golden Square,
Wilson Garden, Bangalore - 560027

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2021

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

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

For **VB & Associates**
Company Secretaries

Vighneshwar Bhat
Proprietor
Company Secretary in Practice
C.P. No. 10012
Membership No. F10557
UDIN: F010557C000793493

Date: 17.08.2021
Place: Bengaluru

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Valencia Nutrition Limited having CIN L51909KA2013PLC068380 and having registered office at No. 372, 1st Floor, Cabin No. 105, WS No. 3, 6th Cross, Golden Square, Wilson Garden, Bangalore - 560027 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-------------------------------|----------|--------------------------------|
| 1. | Manish Pravinchandra Turakhia | 02265579 | 18.12.2017 |
| 2. | Haresh Sanghvi | 00006301 | 18.12.2017 |
| 3. | Shankarran Prabhha | 07906258 | 18.12.2017 |
| 4. | Stavan Pravin Ajmera | 08112696 | 19.04.2018 |
| 5. | Jaimin Ajay Patwa | 08613495 | 11.05.2020 |
| 6. | Jay Jatin Shah | 09072405 | 01.03.2021 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

VALENCIA NUTRITION LTD.

For VB & Associates
Company Secretaries

Vigneshwar Bhat
Proprietor
Company Secretary in Practice
C.P. No. 10012
Membership No. F10557
UDIN: F010557C000797992
Date: 17.08.2021
Place: Bengaluru

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, Jay Shah, Director of Valencia Nutrition Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2021.

Jay Shah

Director & CFO

(DIN: 09072405)

Date: September 1, 2021

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Second wave of Covid-19 that started in March 2021 resulted in Lock Down and other restrictions causing severe downturn for our business. We planned production in March but had to suspend due to strict Lock Downs in Southern States that are our locations of operations.

Forward-Looking Statements:

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements, although we believe we have been cautious.

Business Model:

We are focused Company on Vitamin flavored functional ready to drink beverages, functional foods, health care supplements, wellness supplements, disease management supplements, performance enhancing supplements, diet & weight management supplements and all other nutraceutical products based on applied biotechnology and other health & nutrition technological applications related thereto.

The internal functions of our business model are formulating, manufacturing, packaging, storing, transporting, branding, research, development and distribution, directly, through logistics partners, distribution channels, franchisees, retail outlets, institutions, hotels, cafeterias, restaurants, wellness centers, fitness centers, as well as electronically through the internet.

Our Company is an applied biotechnology start-up operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multi nutrient functional beverages to prevent and/or manage lifestyle related diseases. We believe that our core competencies as well as future growth both would rely heavily on levels of innovation and our superior product quality, as we are innovation driven. In order to stay ahead of the growth curve and ensure high quality of products we are continuously engaged in R&D activities.

As first of our offerings that is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavorful drinks - 'Bounce SuperDrinks' & 'VitaMe Enriched Beverage'. We have been working in a most focused manner since last 8 years to fully evolve this well-researched product and develop a niche brand within this nascent but high potential segment.

Beginning of corporate legacy

Our journey began with a vision to add taste to thirst in some of the world's most populous markets; what we have achieved so far is the appetizer, and much of the feast is still ahead of us. Not only do we refresh our customers but we also work to sustain, educate, and empower communities alongside

ensuring our own business growth. This we shall do still more innovatively and across a wider region in the coming years.

Our eventful start up journey of 8 years. Valencia Nutrition Ltd began its journey in 2013.

Bounce falls in the category of Cola, Juice, Soda or Water, so why will a customer buy it?

Bounce is what you drink when you want to drink cola (unhealthy)but at the same time have health benefits with added vitamins.

It's not Packaged Drink that contains lots of sugar & preservatives.

It's not Mineral Water its vitamin based Mineral water where the 1 liter's bottle price is restricted to Rs.20 per liter.

Bounce addresses wider Hydration & basic Thirst – Meet Your Thirst with Enriched Hydration

It's tasty & healthy and has innumerable flavors so you never get bored.

Company's vision & capabilities have transpired Valencia Nutrition into a Biotech Company with Nutraceutical Focus.

Outline to demonstrate Size of Opportunity for Company's area of operations: -

India carbonated soft drinks market summary

| Chart Attribute | Details |
|------------------------------|--|
| Market size value in 2021 | USD 13,096.5 million |
| Revenue forecast in 2028 | USD 20,308.7 million |
| Growth rate | CAGR of 6.5% from 2022 to 2028 |
| Base year for estimation | 2021 |
| Historical data | 2017-2020 |
| Forecast period | 2022-2028 |
| Quantitative units | Value in USD Million and CAGR from 2022 to 2028 |
| Country scope | U.S., Germany, U.K., France, China, India, South Africa, Brazil |
| Global market players | Nestlé The Coca-Cola Company Red Bull GmbH View more |
| Customization scope | Free report customization with enterprise license purchase. Addition or alteration to country,regional and segment scope |
| Pricing and purchase options | Avail customized purchase options to meet your exact research needs. Explore purchase options |

The nutraceutical market is segmented into functional foods, functional beverages and dietary supplements. Globally, the nutraceutical market is predicted to record revenue of USD 671.30 billion by 2024, registering a CAGR of 7.5% during the forecast period (2019 - 2024). Globally, nutraceuticals are gaining importance and are becoming a part of the consumer's daily diet. Looking at the current trends, the Indian nutraceutical market is forecasted to grow from a value of US\$ 2.8 Billion in 2015 to a value of US\$ 8.5 Billion by 2022. Functional beverage is an emerging segment of the Indian nutraceutical industry that was valued at US\$ 0.3 Billion in 2015. With wellness increasingly becoming a mainstream thought amongst the millennial population along with changing lifestyle preferences and people consciously taking preventive healthcare measures, nutraceuticals are expected to gain prolific growth in the years to come.



Our co-promoter Mr. Manish Turakhia had long time aspiration to enter Nutraceuticals segment that was found in Valencia Nutrition Ltd. Being a start-up it had the much-needed agility. He aspires to build the company in the specialized space of Nutrition. Within India & Abroad, Nutrition is recognized as high growth arena with social impact of better health for the world population.

Business Outlook

We manufacture & market consumer items of small ticket size with repetitive purchase frequency. Our business has huge scalability potential that eventually thrives on negative working capital. Negative working capital arises in a scenario wherein the current liabilities exceed the current assets. In other words, there is more short-term debt than there are short-term assets. Generally, having anything negative is not good, but in case of working capital it is good as a Company with negative working capital funds its growth in sales by effectively borrowing (float money) from its suppliers and customers. When managed properly, negative working capital could be a way to fund your growth in sales with other people's money. Negative working capital often arises when a business generates cash so quickly that it can sell its products to the customer before it has to pay its bill to the supplier. In the meantime, it is technically using the supplier's money to grow.

Industry Nuances

Even though we are an applied biotech Company, our product categories operate in the Functional

VALENCIA NUTRITION LTD.

Beverage Industry and hence we have to deal with its nuances. The functional food and functional beverages industry in India are subject to changes in consumer preferences, perceptions and spending habits. Our strategy depends on factors which may affect the level and patterns of consumer spending like consumer preferences, consumer confidence, consumer incomes, consumer perceptions of the safety and quality of our beverages, and consumer interest in diet and health issues.

Media coverage regarding the safety or quality of, or diet or health issues relating to functional food and functional beverages and other beverages, or the raw materials, ingredients or processes involved in their manufacturing or bottling, especially in urban and metropolitan areas.

A general decline in the consumption of functional food and functional beverage industry could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and future success will depend partly on our ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that meet consumer preferences.

Major Events of 2020-21

To adopt to Valencia Customised Shape of Bottle, the Labelling Machine at needs guide (Label Change Part) for affixing the Label around the bottle.

Production Issues

During August 2019, Company had ordered six cavity Mould from Dynamic Pet Mould, Vasai, Maharashtra & its Label Change Part from Techclone Machineries, Mumbai, with overall investment of Rs.8.73,874 (Ex-GST).

On 13.11.2019 for the first time ATC Beverages, Mysore, our Bottling Partner factory, reported Dynamic Mould damage & Spring damage.

On 20.02.2020 during machine running at ATC, Mould No.2 side moulds and base mould got further damaged due stress on mould. ATC tried running machine manually with bypassing one mould. However in bypass mould all Heating parameters goes to manual mode, making it very difficult running the machines.

On 24.02.2020 ATC Beverages informed Company about not to go forward with Valencia production with the existing mould from Dynamic Pet Mould. The Mould was damaging ATC machine parts especially Spring damages due to Mould stress.

Subsequently from November 2019 till June 2020 new Order was placed for six cavity Mould from Sidel India, Pune and Label Change Part from Hilden Packaging Machineries, Mumbai were ordered amounting to Rs.18,64,801 (Ex-GST). However, Hilden Label Change Part faced alignment issues while carrying out production at ATC Beverages. After six trial runs, the Label Change Part got aligned. This caused suspension of production during January till March, 2021. Aforesaid events were beyond the

control of the company.

Mass Resignations & Retrenchments

Company suffered heavy cash burn due to Lock Down and most of the team was asked to leave on November 30, 2020.

Resignation of Deepthi Anand

Company suffered sever jolt from the Resignation of its Founder Promoter and MD on 31.01.2021. New Management took a while to take charge of the operations and have made every attempt to salvage the situation.

Mould and Label Change Part

VNL took production during early March 2020. However, Lock Down was announced during March 21st, April, May & June 15th 2020. This resulted in large part of the Stock remaining at Company Warehouse. The Product Expiry for the Fizz Category is four months. Also most of the Super Stockists, Distributors & Outlets were unable to open their warehouse & shops during this period. These prime reason for the expiry of the Fizz products.

Expired Stock & Trade Claims

Company's Products that principally were Ready for Market during March 2020. But due to sudden lock down, most of the inventory remained in the warehouse. With product having 4 months as expiry from the date of manufacturing, Company had to discard the same.

VNL suffered heavy losses on account of expiry of the stock. Most of the inventories expired at the Distributors level. According to the policy at that point in time, Company had to accept the Trade Claim as Payable. Now Company has discontinued policy of Replacing the Expired Goods. Instead, Company has provided solutions for effective Distributions by delivering the products straight from Factory to SS Warehouse and Order Aggregation from Retail Outlets through Direct Calling & implantation the WebApp for entire Distribution chain.

New Initiatives:

Valencia Distributor's Combine (VDC) – Valencia Presidents

We are creating a common platform for our Super Stockists (SS) and Distributors (DB) all over India. We are in the process of developing a WebApp that will provide e-connect to the distinguished members of VDC.

VALENCIA NUTRITION LTD.

To achieve this community, build up for common good, we have adopted unique route of looping in the ownership attributes of Super Stockists and Distributors in building Valencia Distributor's Combine. Accordingly, we appoint an enthusiast SS & DB as President of a particular Region e.g. "President – Bangalore Region" for Valencia Nutrition Limited on the following guidelines:

Title: President – Bangalore Region

Role Description: As President you will have huge weight on Product Pricing, Product Launching, Distribution Strategy, Inventory Build Up & Movement, Sales Promotion & Marketing Policy, Customer Services. Your vital inputs will be obtained in the case of Trade Claims arising from the Quality Issues after the company officials address the issues. You will have full freedom in recommending appointment of Distributors and Sales Consultants on Commission.

Compensation: We are delighted to avail your services on honorary basis. Any expenses incurred by you for fulfilment or performance of your services shall be reimbursed by the Company within 30 days from the receipt of request.

Valencia Sales Club – Club for Sales Consultants (SC)

We have evolved innovative approach to engaging Sales Personals.

We shortlisted Sales Personals based on recommendation of Super Stockists (SS) and Distributors (DB). We have a fair appraisal at Sales Consultant's Sales & Marketing attributes to join the 'Valencia Sales Club'. Accordingly, we appoint him as "Sales Consultant – Bangalore Region" for Valencia Nutrition Limited. We pay them based of Sales Liked Compensation.

This method on engaging SC does away with fixed cost and responsibility for their non-performance with SS & DB. Valencia escapes Trade Claims on account of the non-attendance or non-performance for SC as SS & DB themselves have recommended them.

Simultaneously we are creating community of peers operating in various parts of India. We will also have an annual Star Performer Awards function. Our WebApp that will provide e-connect to all the SC of Valencia Sales Club.

Opportunities and Threats, Risks and Concern

Whilst the overall market for non-alcoholic beverages is growing, there are a number of factors, such as those listed below, that can pose a significant risk to your Company's future income and profitability

- Water scarcity and poor quality could negatively impact the system's production costs and capacity.
- Increased competition could hurt the business.
- Increased demand for food products and decreased agricultural productivity as a result of changing weather patterns may negatively affect the business.
- Consolidation in the retail channel or the loss of key retail or foodservice customers could adversely

affect the Company's financial performance.

- If the company is unable to expand their operations in developing and emerging markets, their growth rate could be negatively affected.
- If their bottling partners' financial condition deteriorates, their business and financial results could be affected.
- An increase in the cost, disruption of supply or shortage of ingredients, other raw materials or packaging materials could harm their business.
- Changes in laws and regulations relating to beverage containers and packaging could increase costs and reduce demand for products.
- Significant additional labelling or warning requirements or limitations on the availability of the company's products may hinder sales of affected products.

On the other hand the company has a very strong opportunity to increase its revenues and market share globally by diversifying its portfolio of products to appeal to the new tastes of the world population. Because the company offers a large variety of products, it can always sell in large numbers when the global taste trends change over time .

A recent report has revealed that there is an opportunity to grow the non-alcoholic drinks category

While healthier beverages are selling better Valencia Nutrition has enriches the fizzy drinks with Vitamins to give it a healthier turn, The growth of Sports have also createdopportunities in energy drinks.

One of the main findings in the report is the identification of six key specific consumer occasions, or 'moments', that if fully realised can deliver significant incremental growth to the category. These include - Complete the Meal; Daytime at Home; Better Working Day; Live Life on the Go; Best Social Mix; Ready to Relax.

A. Details of significant changes in key financial ratios:

The Company has started business last year so there is increase in the following financial ratios from financial year 2019-20 to 2020-21.

| Sr. No. | Ratio | FY 2019-20 | FY 2020-21 |
|---------|--------------------------|------------|------------|
| 1. | Current Ratio | 3.45 | 0.99 |
| 2. | Debt Equity Ratio | 0.41 | 1.93 |
| 3. | Debtors Turnover Ratio | 16.45 | 26.96 |
| 4. | Inventory Turnover Ratio | 3.63 | 1.61 |
| 5. | Interest Coverage Ratio | -101.62 | -38.60 |
| 6. | Operating Profit Margin | -181 | -365 |
| 7. | Net Profit Margin | -183 | -375 |

B. Return on Net Worth:

The Company had incurred net loss of Rs. 75,04,675 in previous financial year in comparison to net loss of Rs. 4,3268,783 in current financial year. There is no change in the paid up capital of the Company. Accordingly, return on Net Worth of the Company has improved from Rs. 4,83,48,735 to Rs. 1,25,84,627 in the financial year 2021.

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF VALENCIA NUTRITION LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **VALENCIA NUTRITION LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and a summary of the significant accounting policies and other explanatory information (herein after referred to as “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its losses and its cash flows for the year ended on that date.

Basis of our Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to Note 24.16 of Standalone Financial Statements which describes the material uncertainties due to the outbreak of COVID-19 pandemic and management’s evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date and its ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise of the Director's Report (but does not include the standalone financial statements and our auditor's report thereon). The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss 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.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the Magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financials statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - g) With respect to the matter to be included in the Auditors report under Section 197 (16) of the Act;

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the company to its directors is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- h) 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 as at 31st March, 2021 on its financial position in its standalone financial statements. Refer to Note 24.10 to the standalone 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Ravindra C
Partner
M. No. 213658
UDIN:- 21213658AAAABX9670

Place: Bengaluru
Date: July 9th, 2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the aforesaid standalone financial statements of **VALENCIA NUTRITION LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the aforesaid standalone financial statements and such internal financial controls with reference to the aforesaid standalone financial statements were operating effectively as at March 31, 2021, based on the internal financial control with reference to the aforesaid standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Emphasis of Matter:

We draw attention to note 24.16 of Financial Statements which describes the material uncertainties due to the outbreak of COVID-19 pandemic and management’s evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date and its ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Management’s Responsibility for Internal Financial Controls

The Company’s management and board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the aforesaid standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the aforesaid standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the aforesaid standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the aforesaid standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the aforesaid standalone financial statements included obtaining an understanding of such internal financial controls with reference to the aforesaid standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the aforesaid standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to the aforesaid standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the aforesaid standalone financial statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to the aforesaid Standalone Financial Statements

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

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Ravindra C
Partner
M. No. 213658
UDIN:- 21213658AAAABX9670

Place: Bengaluru
Date: July 9th, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property plant and equipment).
 - (b) The Company has a regular programme of Physical verification of fixed assets to cover all the items in a phased manner which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, title deeds of immovable properties, as disclosed in Note 9 to the standalone financial statements is held in the name of the company as at the balance sheet date. We draw attention to the note 9 (a) of the standalone financial statements with respect to sale of the immovable property subsequent to balance sheet date.

- (ii) The Inventory, except goods lying with Job workers place has been physically verified by management at reasonable intervals during the year. In our Opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification between physical stock and the book records have been accounted.

- (iii) According to information and explanation provided to us, the Company has not granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly reporting under para 3 (iii) (a), (b) and (c) of the order is not applicable to the company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, investments and guarantees to which the provisions of section 185 and 186 of the companies Act, 2013 apply. Accordingly reporting under para 3 (iv) (a),(b) and (c) of the order is not applicable to the company.

- (v) The Company has not accepted any deposit from the public within the meaning of the directives issued by Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

- (vi) As informed, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and hence provisions of clause 3 (vi) of the same Order are not applicable.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues (other than as detailed below), including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. According to information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory due were in arrears as at 31st March 2021, for a period of more than six months from the date they become payable, except for bonus to the extent of Rs 4,87,491/-.
- (b) According the information and explanations given to us there are no dues of Income tax, duty of customs, sales tax, duty of excise, service tax, Goods and Services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except for on-going litigation mentioned below :

| Nature of Statute | Forum | Assessment year | Amount of Income/(Loss) Declared | Amount of Disallowance as per Assessing officer |
|--------------------------|----------------------------|------------------------|---|--|
| Income Tax Act, 1961 | Commissioner of Income Tax | AY 2015-16 | (1,25,53,376) | 1,36,67,666 |
| Income Tax Act, 1961 | Commissioner of Income Tax | AY 2016-17 | (1,22,60,266) | 1,08,80,104 |
| Income Tax Act, 1961 | Commissioner of Income Tax | AY 2018-19 | (1,02,74,751) | 3,24,50,000 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company did not have any outstanding loans or borrowings from the government nor has it issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. However during the financial year 2019-2020 the company raised monies from initial public offer and utilization of such proceeds is pending to the extent of Rs 115.70 lacs (Refer note 24.15).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion the Company is not a Nidhi Company as prescribed under section 406 of the Act, and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Ravindra C
Partner
M. No. 213658
UDIN:- 21213658AAAABX9670

Place: Bengaluru
Date: July 9th, 2021

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Balance Sheet as at March 31, 2021

(All amounts are in Indian Rupees, unless otherwise stated)

| | Note | As at 31-Mar-2021 | As at 31-Mar-2020 |
|--|------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 1 | 5,58,53,410 | 5,58,53,410 |
| Reserves and surplus | 2 | (4,32,68,783) | (75,04,675) |
| Non-current liabilities | | | |
| Long-term borrowings | 3 | 18,04,189 | 56,34,913 |
| Long-term provisions | 4 | - | 9,25,770 |
| Current liabilities | | | |
| Short-term borrowings | 5 | - | 2,71,051 |
| Trade payables | 6 | | |
| A) Dues to Micro and Small Enterprises | | 1,49,273 | 7,84,478 |
| B) Dues to Other parties | | 54,40,141 | 31,28,209 |
| Other current liabilities | 7 | 1,59,08,648 | 76,34,731 |
| Short-term provisions | 8 | 9,67,096 | 14,22,048 |
| TOTAL | | 3,68,53,974 | 6,81,49,935 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | | |
| Tangible assets | | 1,41,37,421 | 1,43,73,010 |
| Intangible assets | | - | - |
| Capital work-in-progress | | - | 3,13,500 |
| Non-current investments | 10 | 10,000 | 10,000 |
| Long-term loans and advances | 11 | 5,28,000 | 77,89,873 |
| Current assets | | | |
| Inventories | 12 | 7,81,771 | 92,79,418 |
| Trade receivables | 13 | 2,20,700 | 2,43,782 |
| Cash and cash equivalents | 14.a | 23,21,247 | 2,99,01,318 |
| Other Bank Balances | 14.b | 3,52,453 | - |
| Short-term loans and advances | 15 | 1,85,02,381 | 62,37,834 |
| Other current assets | 16 | - | 1,200 |
| TOTAL | | 3,68,53,974 | 6,81,49,935 |
| Accounting policies and other notes | 24 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Manian & Rao

Chartered Accountants

FRN : 001983S

Ravindra C

Partner

Membership No.213658

Manish Pravinchandra Turakhia

Director

DIN : 02265579

Jay Jatin Shah

Director

DIN : 09072405

Place:- Bangalore

Date:- 09/07/2021

Himanshu Pareek

Company Secretary

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are in Indian Rupees, unless otherwise stated)

| | Note | Year ended 31-Mar-2021 | Year ended 31-Mar-2020 |
|---|------|------------------------|------------------------|
| REVENUE FROM OPERATIONS | 17 | 95,47,909 | 2,37,25,185 |
| Revenue from operations (net) | | 95,47,909 | 2,37,25,185 |
| Other income | 18 | 2,30,227 | 15,419 |
| TOTAL REVENUE | | 97,78,136 | 2,37,40,604 |
| EXPENSES | | | |
| Cost of materials consumed | 19 | 1,56,06,489 | 3,03,86,627 |
| Changes in inventories | 20 | 21,23,881 | (7,53,161) |
| Employee benefits expense | 21 | 1,08,45,260 | 2,26,92,067 |
| Finance costs | 22 | 9,03,169 | 4,22,590 |
| Depreciation and amortisation expense | 9 | 13,42,663 | 12,28,002 |
| Other expenses | 23 | 99,80,783 | 1,31,30,032 |
| TOTAL EXPENSES | | 4,08,02,244 | 6,71,06,158 |
| Profit / (Loss) before extraordinary & exceptional items and tax | | (3,10,24,108) | (4,33,65,555) |
| Exceptional items - gain / (loss) | | (47,40,000) | |
| | | (3,57,64,108) | (4,33,65,555) |
| Tax expense: | | | |
| Deferred tax charge / (credit) | | - | - |
| Current tax expense for current year | | - | - |
| PROFIT FOR THE YEAR | | (3,57,64,108) | (4,33,65,555) |
| Earnings per share (of Rs.10 each) | | | |
| Basic | | (6.40) | (9.48) |
| Diluted | | (6.40) | (9.48) |

Significant accounting policies and notes to accounts 24

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Manian & Rao

Chartered Accountants

FRN : 001983S

Ravindra C

Partner

Membership No.213658

Manish Pravinchandra Turakhia

Director

DIN : 02265579

Jay Jatin Shah

Director

DIN : 09072405

Place:- Bangalore

Date:- 09/07/2021

Himanshu Pareek

Company Secretary

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Cash Flow Statement for the year ended March 31, 2021

(All amounts are in Indian Rupees, unless otherwise stated)

| | Year ended 31-Mar- 2021 | Year ended 31-Mar- 2020 |
|--|---|----------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit before tax | (3,57,64,108) | (4,33,65,555) |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 13,42,663 | 12,28,002 |
| Loss on fixed assets sold / scrapped / written off - net | 3,69,118 | - |
| Interest income | (2,30,227) | (15,419) |
| Reversal of Provision for gratuity and leave encashment | (6,57,177) | - |
| Bad debts/advances written off | 61,444 | 65,215 |
| Capital advance written off | 47,40,000 | - |
| Provision/ Writeoff of Inventory | 44,34,454 | - |
| Interest expense | <u>9,03,169</u> | <u>4,15,160</u> |
| Cash Generated from operations before working capital changes | (2,48,00,664) | (4,16,72,596) |
| Adjustments for: | | |
| (Increase)/decrease in inventories | 31,38,198 | (55,48,863) |
| (Increase)/decrease in trade receivables | (38,362) | 10,11,032 |
| (Increase)/decrease in short-term loans and advances | (1,22,64,547) | (20,38,200) |
| (Increase)/decrease in long-term loans and advances | 21,69,420 | (7,64,293) |
| Increase/(decrease) in trade payables | 16,76,727 | 18,26,640 |
| Increase/(decrease) in other current liabilities | 49,93,098 | 45,57,309 |
| Increase/(decrease) in short-term provisions | 4,70,042 | 12,19,617 |
| Increase/(decrease) in long-term provisions | <u>(2,68,593)</u> | <u>3,76,559</u> |
| Cash generated from operations | (2,49,24,679) | (4,10,32,796) |
| Taxes paid (net of refunds) | - | 12,660 |
| Net cash generated from operating activities - [A] | (2,49,24,679) | (4,10,20,136) |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of tangible/intangible assets | (11,62,691) | (2,05,36,901) |
| Purchase of investments | - | (10,000) |
| Interest received | <u>2,31,427</u> | <u>23,332</u> |
| Net cash generated/(used in) from investing activities - [B] | (9,31,264) | (2,05,23,569) |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Amounts borrowed during the year | - | 1,64,80,000 |
| Borrowings repaid | (8,20,957) | (1,23,78,225) |
| Capital received during the year including premiums | - | 8,51,83,299 |
| Interest paid | <u>(9,03,169)</u> | <u>(4,15,160)</u> |
| Net cash used in financing activities - [C] | (17,24,126) | 8,88,69,914 |
| Net increase/(decrease) in cash and cash equivalents - [A+B+C] | (2,75,80,070) | 2,73,26,209 |
| Cash and cash equivalents at the beginning of the year | 2,99,01,317 | 25,75,108 |
| Cash and cash equivalents at the end of the year | 23,21,247 | 2,99,01,317 |
| Cash and cash equivalents comprise of: | | |
| Cash on hand | - | 18,483 |
| Balances with banks: | | |
| In current accounts | 23,21,247 | 2,98,82,834 |
| Term deposits with original maturity of less than three months | - | - |
| | <u>23,21,247</u> | <u>2,99,01,317</u> |
| Notes: | | |
| i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements" | | |
| ii) Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. | | |
| Note : Cash and Cash Equivalents as on 31.03.2020 includes balance of Rs. 2,50,49,299/- in Escrow Account which is earmarked towards | | |
| As per our report of even date | For and on behalf of the Board of Directors | |
| For Manian & Rao | | |
| Chartered Accountants | | |
| FRN : 0019835 | | |
| Ravindra C | Manish Pravinchandra Turakhia | Jay Jatin Shah |
| Partner | Director | Director |
| Membership No.213658 | DIN : 02265579 | DIN : 09072405 |
| Place:- Bangalore | | |
| Date:- 09/07/2021 | | |
| | Himanshu Pareek | |
| | Company Secretary | |

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2021

*(All amounts are in Indian Rupees, unless otherwise stated)***As at 31-Mar-2021****As at 31-Mar-2020****1 SHARE CAPITAL****Authorised**

57,00,000 equity shares of Rs.10/- each

5,70,00,000

5,70,00,000

*(Previous year: 57,00,000 equity shares of Rs.10/- each)***5,70,00,000****5,70,00,000****Issued, subscribed and fully paid up**

55,85,341 equity shares of Rs.10/- each

5,58,53,410

5,58,53,410

*(Previous year: 55,85,341 equity shares of Rs.10/- each)**(Also, refer note below)***TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL****5,58,53,410****5,58,53,410****2 RESERVES AND SURPLUS****Securities premium account**

Opening balance

11,42,00,218

8,21,06,259

Add / (less) : Movements during the year:

Premium on shares issued during the year (Preferential Allotment)

-

3,11,81,500

Premium on shares issued on IPO during the year (Net of Issue Expenses)

-

4,04,23,299

Issue of Bonus Shares in the ration of 12:1

-

(3,95,10,840)

Closing balance

11,42,00,218

11,42,00,218

Surplus / (Deficit) in Statement of Profit and Loss

Opening balance

(12,17,04,893)

(7,83,39,339)

Add / (less) : Movements during the year:

Profit / (Loss) for the year

(3,57,64,108)

(4,33,65,555)

Closing balance**(15,74,69,001)****(12,17,04,893)****TOTAL RESERVES AND SURPLUS****(4,32,68,783)****(75,04,675)****Information pertaining to share capital and Reserves and Surplus:**

a) The Company has changed the objects of the Issue mentioned in the company's prospectus dated 13th December, 2019 from utilization of amount related to Capital purpose to Working Capital requirement and other requirements to the extent of 231.05 lacs, the change in objects were approved by the members in the Extraordinary General Meeting held on 28th September, 2020(Also Refer note 24.15)

b) Reconciliation of number of shares:Following is the reconciliation for number of shares as at the beginning and at end of the year:

| Particulars | 2020-21 | 2019-20 |
|---|------------------|------------------|
| No of shares at the beginning of the year | 55,85,341 | 2,76,407 |
| Add: Shares issued during the year (Preferential Allotment) | - | 52,850 |
| Add: Issue of Bonus Shares | - | 39,51,084 |
| Add: Issue of Shares through IPO | - | 13,05,000 |
| No of shares at the end of the year | 55,85,341 | 55,85,341 |

c) Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of Rs.10 per share. 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, except in case of interim dividend. 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.

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

| Name of Shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Equity Shares of Rs. 10/- each fully paid-up | | | | |
| Deepthi Anand | 18,79,904 | 33.66% | 18,79,904 | 33.66% |
| Veer Value Ventures LLP | 5,85,000 | 10.47% | 5,85,000 | 10.47% |
| Manish Turakhia | 2,38,329 | 4.27% | 2,38,329 | 4.27% |

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Indian Rupees, unless otherwise stated)

| | <u>As at 31-Mar-2021</u> | <u>As at 31-Mar-2020</u> |
|--|---------------------------|--------------------------|
| 3 LONG-TERM BORROWINGS | 2020-21 | 2019-20 |
| Term loans from banks | | |
| Secured | - | 38,30,724 |
| Unsecured | - | - |
| | <u>-</u> | <u>38,30,724</u> |
| Other loans and advances (specify nature) | | |
| Secured | - | - |
| Unsecured Loans from related parties (refer note 24.12) | 18,04,189 | 18,04,189 |
| | <u>18,04,189</u> | <u>18,04,189</u> |
| TOTAL LONG-TERM BORROWINGS | <u>18,04,189</u> | <u>56,34,913</u> |
| Note: | | |
| a) Secured borrowings from banks are secured against first charge by way of mortgage of immovable property. (Also refer note 7) | | |
| c) Unsecured loan from related parties includes loan from erstwhile director of the company which are interest free and repayable on demand. | | |
| 4 LONG-TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Provision for compensated absences (Refer note 24.4) | - | 2,78,048 |
| Provision for gratuity (net) (Refer Note 24.3) | - | 6,47,722 |
| TOTAL LONG-TERM PROVISIONS | <u>-</u> | <u>9,25,770</u> |
| 5 SHORT-TERM BORROWINGS | | |
| Loans repayable on demand - from banks | | |
| Unsecured | - | 2,71,051 |
| TOTAL SHORT-TERM BORROWINGS | <u>-</u> | <u>2,71,051</u> |
| 6 TRADE PAYABLES | | |
| Outstanding Dues of Micro, Small and Medium Enterprises (MSME) (Refer note 24.8) | 1,49,273 | 7,84,478 |
| Outstanding Dues for others | 54,40,141 | 31,28,209 |
| TOTAL OF TRADE PAYABLE | <u>55,89,414</u> | <u>39,12,687</u> |
| 7 OTHER CURRENT LIABILITIES | | |
| Current maturities of long-term debt | 38,32,818 | 5,52,000 |
| Statutory remittances payable | 4,22,213 | 16,91,239 |
| Payables on purchase of fixed assets | 1,25,586 | 1,25,586 |
| Claims Payable | 46,39,374 | 7,89,517 |
| Accrued Expenses | 38,88,657 | 44,76,389 |
| Advance against land | 30,00,000 | - |
| TOTAL OF OTHER CURRENT LIABILITIES | <u>1,59,08,648</u> | <u>76,34,731</u> |

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Indian Rupees, unless otherwise stated)

| | <u>As at 31-Mar-2021</u> | <u>As at 31-Mar-2020</u> |
|---|--------------------------|--------------------------|
| 8 SHORT-TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Provision for compensated absences (Refer Note 24.4) | 4,24,822 | 3,78,914 |
| Provision for gratuity (net) (Refer Note 24.3) | 5,42,274 | 1,18,140 |
| | <u>9,67,096</u> | <u>4,97,054</u> |
| Provision - Others | | |
| Provision towards expired stock | <u>-</u> | <u>9,24,994</u> |
| | <u>-</u> | <u>9,24,994</u> |
| TOTAL OF SHORT-TERM PROVISIONS | <u>9,67,096</u> | <u>14,22,048</u> |
| 10 NON-CURRENT INVESTMENTS | | |
| Other investments | | |
| Investment in equity instruments of: | | |
| Other entities (Investment In Udaya Souharda Credit Co-operatvie Ltd) | 10,000 | 10,000 |
| Total of other investments | <u>10,000</u> | <u>10,000</u> |
| Total of trade and other investments | 10,000 | 10,000 |
| (Less): Provision for diminution in value of investments | <u>-</u> | <u>-</u> |
| TOTAL OF NON-CURRENT INVESTMENTS | <u>10,000</u> | <u>10,000</u> |
| 11 LONG-TERM LOANS AND ADVANCES | | |
| Capital advances | | |
| Secured, considered good | | - |
| Unsecured, considered good(Refer note below) | - | 58,80,080 |
| Doubtful | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>58,80,080</u> |
| (Less): Provision for doubtful capital advances | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>58,80,080</u> |
| Security deposits | | |
| Secured, considered good | | - |
| Unsecured, considered good | 5,28,000 | 18,45,982 |
| Other loans and advances | <u>-</u> | <u>63,811</u> |
| TOTAL OF LONG-TERM LOANS AND ADVANCES | <u>5,28,000</u> | <u>77,89,873</u> |
| Note:- | | |
| During the year the company has written off Rs 47.40 Lacs being forfeiture of advance by M/S Lakshmi ventures on cancellation of construction agreement entered on 3-07-2019 by the company .Written off amount of Rs 47.40 lacs has been disclosed under exceptional item in the statement of profit or loss account | | |
| 12 INVENTORIES | | |
| (At lower of cost and net-realizable value) | | |
| Raw materials | 7,81,771 | 71,55,537 |
| Finished goods | <u>-</u> | <u>21,23,881</u> |
| TOTAL INVENTORIES | <u>7,81,771</u> | <u>92,79,418</u> |

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Indian Rupees, unless otherwise stated)

| | <u>As at 31-Mar-2021</u> | <u>As at 31-Mar-2020</u> |
|--|---------------------------|---------------------------|
| 13 TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months: | | |
| Unsecured, considered good | | 1,14,006 |
| Doubtful | - | - |
| | <u>-</u> | <u>1,14,006</u> |
| Less: Provision for doubtful trade receivables | | - |
| | <u>-</u> | <u>1,14,006</u> |
| Other Trade receivables | | |
| Unsecured, considered good | 2,20,700 | 1,29,777 |
| Doubtful | - | - |
| | <u>2,20,700</u> | <u>1,29,777</u> |
| Less: Provision for doubtful trade receivables | | - |
| | <u>2,20,700</u> | <u>1,29,777</u> |
| TOTAL TRADE RECEIVABLES | <u>2,20,700</u> | <u>2,43,782</u> |
| 14.a CASH AND CASH EQUIVALENTS | | |
| Balances with ESCROW Account in ICICI Bank (Refer Note) | - | 2,50,49,300 |
| Balances with other banks | 23,21,247 | 48,33,535 |
| Cash on hand | - | 18,483 |
| TOTAL CASH AND CASH EQUIVALENTS | <u>23,21,247</u> | <u>2,99,01,318</u> |
| Note: Earmarked for utilisation for the object of IPO. | | |
| 14 b Other Bank Balances | | |
| Fixed deposits with maturity more than 12 months | | |
| -Fixed deposit ear marked bank Guarantee | 1,91,298 | - |
| -Other deposits with Banks | 1,61,155 | - |
| TOTAL OTHER BANK BALANCE | <u>3,52,453</u> | <u>-</u> |
| 15 SHORT-TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good unless otherwise specified) | | |
| Prepaid expenses | 16,794 | 57,807 |
| Advance Income Tax and TDS, net of provisions | - | 78,109 |
| Advances Others(Refer note below) | 1,15,70,000 | - |
| Advance to employees | 63,895 | - |
| Advances to Vendors | 7,85,468 | 4,11,124 |
| Receivable from Government Authorities | 60,66,225 | 56,90,794 |
| TOTAL SHORT-TERM LOANS AND ADVANCES | <u>1,85,02,381</u> | <u>62,37,834</u> |
| Note:- | | |
| The company had paid an advance to M/s Mansukh Advisory Pvt Ltd of Rs 115.70 lacs towards construction of office building. Subsequently the company has changed the objects of the Issue of IPO by the company vide Extraordinary General Meeting held on 28th September, 2020, due to which construction of office building was withdrawn by the company,hence the advance paid has been disclosed under short-term loans and advances. | | |
| 16 OTHER CURRENT ASSETS | | |
| Interest accrued | | 1,200 |
| TOTAL OF OTHER CURRENT ASSETS | <u>-</u> | <u>1,200</u> |

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2021

*(All amounts are in Indian Rupees, unless otherwise stated)***Year ended 31-Mar-2021 Year ended 31-Mar-2020****17 REVENUE FROM OPERATIONS****Sale of products**

Domestic sales

95,47,909

2,37,25,185

TOTAL REVENUE FROM OPERATIONS**95,47,909****2,37,25,185****18 OTHER INCOME**

Interest income

2,30,227

15,419

TOTAL OTHER INCOME**2,30,227****15,419****19 COST OF MATERIALS CONSUMED**

Opening stock

71,55,537

23,59,835

Add: Cost of material (refer note 24.11 (i) & (ii))

92,32,723

3,51,82,330

1,63,88,260

3,75,42,165

(Less): Closing stock

7,81,771

71,55,537

TOTAL COST OF MATERIALS CONSUMED(Refer note)**1,56,06,489****3,03,86,627**

Note: Cost of material consumed includes expiry goods of Rs 37.14 Lakhs which has been written off during the year

20 CHANGES IN INVENTORIES

Inventories at the end of the year:

Finished goods

-

21,23,881

Inventories at the beginning of the year:

Finished goods

21,23,881

13,70,720

NET (INCREASE) / DECREASE**21,23,881****(7,53,161)****21 EMPLOYEE BENEFITS EXPENSE**

Salaries and wages

93,57,784

1,87,81,521

Directors' remuneration

14,58,873

18,32,772

Contributions to provident and other funds

12,202

20,01,357

Staff welfare expenses

16,401

76,417

TOTAL EMPLOYEE BENEFITS EXPENSE**1,08,45,260****2,26,92,067****22 FINANCE COSTS**

Interest expense on borrowings

9,03,169

4,22,590

TOTAL FINANCE COSTS**9,03,169****4,22,590****23 OTHER EXPENSES**

Office Expenses

3,13,688

1,21,333

Power fuel & water charges

15,714

40,425

Rent including lease rentals

5,13,900

7,66,190

Repairs and maintenance - Others

92,507

1,18,983

Website maintenance charges

33,445

7,649

Rates and taxes

4,53,902

9,67,152

Communication

52,951

1,34,583

Travelling and conveyance

6,78,191

30,29,265

Printing and stationery

1,69,793

4,80,903

Freight and forwarding

10,70,265

34,91,111

Commission, Incentives and discounts

1,86,801

41,461

Warehouse Maintenance Expenses

4,33,835

1,74,385

Business promotion

5,80,239

13,83,371

Training and development expenses

81,328

19,108

Legal and professional

11,83,716

11,16,541

Payments to Statutory Auditors

1,66,973

1,05,000

Trade Claims

39,58,493

-

Bad trade receivables written off

61,444

2,00,417

Provision for doubtful trade receivables

-

(1,35,202)

Provision for loss /expiry of Inventory

(6,07,482)

9,24,994

Impairment of assets/written off

3,69,118

-

Miscellaneous expenses

1,71,961

1,42,363

TOTAL OTHER EXPENSES**99,80,783****1,31,30,032**

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended 31st March 2021

9 - PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross block / Original cost | | | | Accumulated depreciation | | | | Net block | |
|---|-----------------------------|--------------------|-----------------------|--------------------|--------------------------|---------------------|----------------------------------|-------------------|--------------------|--------------------|
| | As at 31-Mar-2020 | Additions | Disposals / transfers | As at 31-Mar-2021 | As at 31-Mar-2020 | Charge for the year | Eliminated on disposal of assets | As at 31-Mar-2021 | As at 31-Mar-2021 | As at 31-Mar-2020 |
| TANGIBLE ASSETS | | | | | | | | | | |
| Land held for sale(Refer note a) | 1,09,64,333 | - | - | 1,09,64,333 | - | - | - | - | 1,09,64,333 | 1,09,64,333 |
| Plant and Equipment | 21,95,249 | - | - | 21,95,249 | 3,62,717 | 3,31,688 | - | 6,94,405 | 15,00,844 | 18,32,532 |
| Computers and IT equipments | 2,34,811 | 27,958 | 29,350 | 2,33,419 | 2,10,657 | 16,851 | 29,272 | 1,98,236 | 35,183 | 24,154 |
| Furniture and fittings | 4,48,136 | - | 3,19,040 | 1,29,096 | 3,72,503 | 5,580 | 2,64,950 | 1,13,132 | 15,964 | 75,633 |
| Office equipment | 1,54,007 | - | 8,027 | 1,45,980 | 1,36,141 | 6,417 | 7,625 | 1,34,933 | 11,048 | 17,866 |
| Moulds, tools and cylinders | 31,64,794 | 79,128 | 2,97,840 | 29,46,082 | 22,97,051 | 5,46,712 | 2,96,790 | 25,46,973 | 3,99,109 | 8,67,743 |
| Vehicles | 3,50,000 | - | - | 3,50,000 | 2,21,423 | 81,261 | - | 3,02,684 | 47,316 | 1,28,577 |
| Laboratory equipment | 4,84,200 | 10,55,606 | 315 | 15,39,491 | 22,028 | 3,54,154 | 315 | 3,75,867 | 11,63,624 | 4,62,172 |
| | 1,79,95,530 | 11,62,692 | 6,54,571 | 1,85,03,651 | 36,22,520 | 13,42,663 | 5,98,953 | 43,66,230 | 1,41,37,421 | 1,43,73,010 |
| CAPITAL WORK IN PROGRESS | | | | | | | | | | |
| CAPITAL WORK IN PROGRESS (Refer note b) | 3,13,500 | - | 3,13,500 | - | - | - | - | - | - | 3,13,500 |
| TOTAL FIXED ASSETS | 1,83,09,030 | 11,62,692 | 9,68,071 | 1,85,03,651 | 36,22,520 | 13,42,662.67 | 5,98,953 | 43,66,230 | 1,41,37,421 | 1,46,86,510 |
| <i>Previous year</i> | <i>35,26,623</i> | <i>1,47,82,407</i> | <i>-</i> | <i>1,83,09,030</i> | <i>23,94,518</i> | <i>12,28,002</i> | <i>-</i> | <i>36,22,520</i> | <i>1,46,86,510</i> | <i>11,32,105</i> |

NOTE:

9 (a) Company had entered into an agreement to sell Freehold Land on 29th March 2021 and has received an advance of Rs.30,00,000, the same has been disclosed as advance towards sale of land under other current liabilities. The land was subsequently sold vide agreement date 7/7/2021 which was approved by the board of directors on 5/7/2021 and same is subject to ratification by the members.

9 b) The capital working in progress of Rs 3,13,500/- has been written off due to change in the objects of the Issue mentioned in the company's prospectus dated 13th December, 2019

Note No.24 to the financial statements for the year ended March 31, 2021

24.1. Corporate Information:

Valencia Nutrition Limited ('the Company'), headquartered in Bangalore, Karnataka, India, was incorporated on 1st April, 2013. The company is engaged in the business of developing, manufacturing, sale & distribution of nutraceutical products. The Company has entered into the listing agreement with the BSE Limited on 02 January 2020, pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its shares. The company has successfully completed the Initial Public Offering (IPO) in the current year and its shares have started trading on the Bombay Stock Exchange Startups (BSE Startups) on 06 January 2020.

The above financial statements were authorised for issue in accordance with a resolution of the Board of directors on 09 July, 2021.

24.2. Summary of significant accounting policies:

a) Basis of preparation of financial statements

The financial statements have been prepared on the basis of a going concern assumption, on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c) Cash Flow Statement

Cash Flow Statement is prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements", whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature

Note No.24 to the financial statements for the year ended March 31, 2021

reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

d) Cash and Cash Equivalents

Cash comprises cash on hand, current accounts and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method, considering a salvage value of 5%. The estimated useful lives of assets are as follows:

| Asset | Estimated useful life |
|----------------------------|------------------------------|
| Plant & equipment | 15 years |
| Office equipment | 5 years |
| Tools | 3 years |
| Computers and IT equipment | 3 years |
| Furniture & fittings | 10 years |

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. The cost incurred on assets yet to be available for use as at the end of the reporting period is disclosed as "Capital Work in Progress". Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Advances paid towards the acquisition of property, plant and equipment, Tools outstanding at each balance sheet date are classified as capital advances under other non-current assets.

Note No.24 to the financial statements for the year ended March 31, 2021

f) Depreciation and Amortization

Depreciation on property, plant & equipment is provided on pro-rata basis for the period of use, on Written down value at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

g) Revenue recognition

Revenue from sale of products are recognised when substantial risks and rewards of ownership are transferred to customers, and are stated net of trade discounts, rebates and value added tax or goods and services tax.

h) Inventories

a) Inventories are valued at cost on First in First out (FIFO) basis or Net Realizable Value whichever is less.

b) Cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.

d) Consumables are charged to the Statement of Profit and Loss in the year of purchase irrespective of the value.

i) Retirement and other benefits to employees

The company accounts for salaries on an accrual basis. The Company's provident fund schemes are defined contribution plans. The contributions paid/payable under the schemes are recognized immediately in the Statement of Profit and Loss.

Gratuity Obligations

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using Projected Unit Credit (PUC) method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Past service cost is recognized as an expense on a straight line basis over the average period until the benefit becomes vested. To the extent the benefits are already vested past service cost is recognized immediately.

Leave Encashment Benefit

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

j) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognised in the Statement of Profit and Loss.

k) Accounting for taxes on income

- i) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income—tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- ii) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation

l) Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at appropriate discount rates. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

m) Provisions and Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date. Contingent Assets are not recognised or disclosed in the financial statements.

n) Segment Reporting

The Company is engaged in the business of non-alcoholic nutrition based beverages. The risks and returns of the Company are predominantly determined by its principal product and the Company's activities fall within a single business segment. The company does not have any geographical segment.

o) Earnings Per Share

Basic Earnings per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.

Note No.24 to the financial statements for the year ended March 31, 2021

p) Leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss based on the terms of the agreement and the effect of lease equalisation is not given considering the increment is on account of inflation factor.

24.3 Provision for gratuity:

As at 31/03/2021 the company did not have any employees. The company has accounted for the provision towards accrued gratuity, details are as below:

| Particulars | 2020-21 | 2019-20 |
|-----------------------------------|---------|----------|
| Retirement age (in years) | N.A | 58 |
| Discount rate | N.A | 5.66% PA |
| Salary escalation rate | N.A | 15% PA |
| Total monthly salary (In Rs.000s) | N.A | Rs.1078 |
| Rate of Return on Plan Assets | N.A | NA |
| Average future service (in years) | N.A | 24.43 |

Change in Present Value of Obligations:

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|---|------------|----------|
| Present Value of Obligation as at the beginning of the year | 765,862 | 558,479 |
| Acquisition adjustment | - | - |
| Interest Cost | - | 39,373 |
| Past Service Cost | - | - |
| Current Service Cost | (2,23,588) | 166,242 |
| Curtailed Cost/(Credit) | - | - |
| Settlement Cost/(Credit) | - | - |
| Benefits paid | - | - |
| Actuarial (gain)/loss on obligations | - | 1,768 |
| Present Value of Obligation as at the end of the year | 5,42,274 | 7,65,862 |

Change in Fair Value of Plan Assets: Not applicable as there are no plan assets

Fair Value of Plan Assets

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|---|------------|------------|
| Fair Value of Plan assets as at the beginning of the year | - | - |
| Acquisition adjustment | - | - |
| Actual return on plan assets | - | - |
| Employer's Contributions | - | - |
| Benefits Paid | - | - |
| Fair Value of Plan assets as at the end of the year | - | - |
| Funded Status | (5,42,274) | (7,65,862) |
| Excess of actual over estimated return on plan assets | - | - |

Note No.24 to the financial statements for the year ended March 31, 2021

Actuarial Gain/ Loss Recognised

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|--|---------|---------|
| Actuarial Gain/(Loss) for the year – Obligation | - | (1,768) |
| Actuarial (Gain)/Loss for the year – Plan Assets | - | - |
| Total (Gain)/Loss for the year | - | 1,768 |
| Actuarial Gain/(Loss) recognised in the year | - | (1,768) |
| Unrecognised Actuarial (gains)/losses at the end of the year | - | - |

The amount to be recognised in Balance Sheet and Statements of Profit and Loss

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|---|------------|-----------|
| Present value of obligation as at the end of the year | 5,42,274 | 765,862 |
| Fair Value of Plan Assets as at the end of the year | - | - |
| Funded Status | (5,42,274) | (765,862) |
| Unrecognised Actuarial (gains)/losses | - | - |
| Net Assets/(Liability) Recognised in Balance Sheet | (5,42,274) | (765,862) |

Expense recognised in Statement of Profit and Loss

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|--|-------------------|----------------|
| Current Service Cost | (2,23,588) | 1,66,242 |
| Past Service Cost | - | - |
| Interest Cost | - | 39,373 |
| Expected Return on Plan Assets | - | - |
| Curtailment Cost/(Credit) | - | - |
| Settlement Cost/(Credit) | - | - |
| Net actuarial (gain)/loss recognized in the year | - | 1,768 |
| Expenses Recognised in the Statement of Profit & Loss | (2,23,588) | 207,383 |

24.4 Provision for Leave Encashment:

As at 31/03/2021 the company did not have any employees. The company has accounted for the provision towards leave encashment, details are as below:

| Particulars | 2020-21 | 2019-20 |
|-----------------------------------|---------|-----------|
| Discount rate | N.A | 5.66% PA |
| Salary escalation rate | N.A | 15% PA |
| Total monthly salary (In Rs.000s) | N.A | Rs. 2,563 |
| Rate of Return on Plan Assets | N.A | NA |
| Average future service (in years) | N.A | 24.43 |

Note No.24 to the financial statements for the year ended March 31, 2021

Change in Present Value of Obligations:

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|---|------------|---------|
| Present Value of Obligation as at the beginning of the year | 6,56,962 | 193,163 |
| Acquisition adjustment | - | - |
| Interest Cost | - | 13,618 |
| Past Service Cost | - | - |
| Current Service Cost | (2,32,140) | 182,774 |
| Curtailment Cost/(Credit) | - | - |
| Settlement Cost/(Credit) | - | - |
| Benefits paid | - | - |
| Actuarial (gain)/loss on obligations | - | 267,407 |
| Present Value of Obligation as at the end of the year | 4,24,822 | 656,962 |

Change in Fair Value of Plan Assets: Not applicable as there are no plan assets

Fair Value of Plan Assets

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|---|------------|-----------|
| Fair Value of Plan assets as at the beginning of the year | - | - |
| Acquisition adjustment | - | - |
| Actual return on plan assets | - | - |
| Employer's Contributions | - | - |
| Benefits Paid | - | - |
| Fair Value of Plan assets as at the end of the year | - | - |
| Funded Status | (4,24,822) | (656,962) |
| Excess of actual over estimated return on plan assets | - | - |

Actuarial Gain/ Loss Recognised

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|--|---------|-----------|
| Actuarial Gain/(Loss) for the year – Obligation | - | (267,407) |
| Actuarial (Gain)/Loss for the year – Plan Assets | - | - |
| Total (Gain)/Loss for the year | - | 267,407 |
| Actuarial Gain/(Loss) recognised in the year | - | (267,407) |
| Unrecognised actuarial (gains)/losses at the end of the year | - | - |

The amount to be recognised in Balance Sheet and Statements of Profit and Loss

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|---|------------|-----------|
| Present value of obligation as at the end of the year | 4,24,822 | 656,962 |
| Fair Value of Plan Assets as at the end of the year | - | - |
| Funded Status | (4,24,822) | (656,962) |
| Unrecognised Actuarial (gains)/losses | - | - |
| Net Assets/(Liability) Recognised in Balance Sheet | 4,24,822 | (656,962) |

Expense recognised in Statement of Profit and Loss

Figures in Rs.

| Particulars | 2020-21 | 2019-20 |
|--|-------------------|----------------|
| Current Service Cost | (2,32,140) | 182,774 |
| Past Service Cost | - | - |
| Interest Cost | - | 13,618 |
| Expected Return on Plan Assets | - | - |
| Curtailment Cost/(Credit) | - | - |
| Settlement Cost/(Credit) | - | - |
| Net actuarial (gain)/loss recognized in the year | - | 267,407 |
| Expenses Recognised in the Statement of Profit & Loss | (2,32,140) | 463,799 |

24.5 a) Business segment

The Company has only one reportable business segment of dealing in non-alcoholic nutrition based beverages. Hence, no disclosure is required for business segment.

b) Geographical segments

The company does not have any reportable geographical segments.

24.6 Deferred tax assets/liabilities (net):

The company has not recognised net deferred tax asset arising on account of timing difference of expenses allowed as per books and income tax and on accumulated losses on prudence, as there does not exist virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

| Particulars | As at 31-Mar-2021 | As at 31-Mar-2020 |
|--|-------------------|-------------------|
| Deferred tax assets: | | |
| On account of depreciation as per books and tax purposes | 4,91,908 | 3,80,049 |
| On account of Provision for Employee Benefits | 2,43,399 | 3,58,096 |
| On account of other provisions | 1,22,692 | 2,32,802 |
| Total Deferred Tax Asset | 8,57,999 | 9,70,947 |
| Deferred tax liabilities: | - | - |
| Net deferred tax asset / (liability) | 8,57,999 | 9,70,947 |

Note No.24 to the financial statements for the year ended March 31, 2021

24.7 Earnings per share

Earnings per share has been computed as under:

| Particulars | | Year ended 31-Mar-21 | Year ended 31-Mar-20 |
|---|---------|-------------------------|-------------------------|
| Profit/(loss) for the year, available for equity shareholders | (a) | (3,57,64,108) | (433,65,555) |
| Weighted average number of shares outstanding | (b) | 55,85,341 | 45,76,339 |
| Earnings /(loss) per share [of Rs.10 each]- Basic (Rs.) | (a)/(b) | (6.40) | (9.48) |

24.8 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pertaining to the said MSMED Act are as follows.

| Sl No. | Particulars | 2020-21 | 2019-20 |
|--------|---|----------|----------|
| 1. | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid at the year end | 1,49,273 | 7,84,478 |
| 2. | Interest due to suppliers registered under the MSMED Act and remaining unpaid at the year end | - | - |

24.9 Foreign Currency: Earnings and expenditure in foreign currency – NIL

24.10 Contingent Liabilities

As at the reporting date, the Company have contingent liability or commitments as listed below :

| Particulars | As at 31-Mar-2021 | As at 31-Mar-2020 |
|--|----------------------|----------------------|
| Contingent liabilities: | | |
| (a) Claims against the company not acknowledged as debt | Nil | Nil |
| (b) Guarantees | *178,080 | 178,080* |
| (c) Other money for which the company is contingently liable | Nil | Nil |
| Commitments: | | |
| (a) Estimated amount of contracts remaining to be executed on capital account & not provided for | Nil | Nil |
| (b) Uncalled liability on shares & other investments | Nil | Nil |
| (c) Other commitments | Nil | Nil |

Note :

- a) Guarantees pertains to bank guarantee furnished to GST authorities' related to dispute on classification of goods in the e-way bill. The Company expects that it is not probable that it would result in additional cash outflow, and that the corresponding amount of deposit held as security would be released accordingly.

- b) Income Tax Authorities, during the Income Tax Assessment for AY 2015-16, AY 2016-17 & AY 2018-19 has made certain additions by reducing the loss declared by the company in the Tax returns. The company is of the view that there is no implication on the financials or results of the Company due to such additions as the Accumulated Tax losses exceed amount of addition and the Company expects no financial outflow on this account.

| Nature of Statute | Forum | Assessment year | Amount of Income/(Loss) Declared | Amount of Disallowance as per Assessing officer |
|----------------------|----------------------------|-----------------|----------------------------------|---|
| Income Tax Act, 1961 | Commissioner of Income Tax | AY 2015-16 | (1,25,53,376) | 1,36,67,666 |
| Income Tax Act, 1961 | Commissioner of Income Tax | AY 2016-17 | (1,22,60,266) | 1,08,80,104 |
| Income Tax Act, 1961 | Commissioner of Income Tax | AY 2018-19 | (1,02,74,751) | 3,24,50,000 |

24.11 Information on revenue and purchases:

The Company gets its products processed through bottling units under two models:

- Job work model – Where the Company sends goods to the bottling unit under the cover of challan, and the Unit despatches finished products. Units charge for the 'job work' in such instances. Job work charges amounting to Rs. 75,148/- (previous year – 64,82,528) and are presented in **Note 19**.
- Sale & purchase model – Under this model, the Company sells raw materials & packing materials to bottling units, and such units sell finished goods to the Company. Net amount of Purchases of Finished goods and Sale of Raw material from/to the subcontractor is grouped under purchases and disclosed in Note 19 to the extent of Rs. 38,91,102/- (previous year –59,06,421).

24.12 Related party disclosures:

- a) Names of related parties and nature of relationship:

| Key Management Personnel (KMP): | Entities in which KMP has control or significant influence: |
|---|--|
| <ul style="list-style-type: none"> - Deepthi Anand - Manish Turakhia - Stavan Pravin Ajmera - Prabhha Shankarran - Peeyush Agrawal - Adarsha K R - Akshaya T M | <ul style="list-style-type: none"> - Arham Ventures - Ample Ventures - Ashit Alapi Ventures - Jay Ketki Ventures - Ajmera ventures - Vishwa Vama Ventures - Sanghavi Ventures |

VALENCIA NUTRITION LIMITED

(Converted to Public Limited Company on April 9, 2018)

Note No.24 to the financial statements for the year ended March 31, 2021

| | |
|---|---|
| <ul style="list-style-type: none"> - Ajay Nayak - Jaimin Ajay Patwa - Jay Jatin Shah | <ul style="list-style-type: none"> - Jash Ventures - Chauhan Ventures LLP - HM Arvind Kumar Ventures LLP - Simran Ventures - JMR Ventures - JB Ventures - Veer Capital Management Private Limited - Veer Value ventures LLP |
|---|---|

b) Transactions during the year:

| Particulars | 2020-21 | 2019-20 |
|---|-----------|-------------|
| Money received towards share capital and premiums: | | |
| ➤ Jash Ventures | - | 47,10,000 |
| ➤ Veer Value Ventures LLP | - | 2,70,00,000 |
| Unsecured loan received from related parties: | | |
| ➤ Deepthi Anand | - | 43,50,000 |
| ➤ Prabhha Shankarran | - | 3,05,000 |
| ➤ Manish Turakhia | - | 57,25,000 |
| Unsecured loan repaid to related parties: | | |
| ➤ Deepthi Anand | - | 43,50,000 |
| ➤ Prabhha Shankarran | - | 3,05,000 |
| ➤ Manish Turakhia | - | 57,25,000 |
| Salary Advance given to related parties | | |
| ➤ Peeyush Agarwal | 1,39,549 | 2,14,600 |
| Salary Advance adjusted/received from related parties | | |
| ➤ Peeyush Agarwal | 1,39,549 | 2,14,600 |
| Remuneration paid to related parties: | | |
| ➤ Deepthi Anand | 14,59,068 | 12,00,000 |
| ➤ Prabhha Shankarran | 5,73,717 | 6,32,772 |
| ➤ Peeyush Agrawal | 11,55,140 | 14,26,171 |
| ➤ Adarsha K.R | 88,221 | 1,80,000 |
| ➤ Akshaya T M | 13,53,236 | 14,05,074 |
| Reimbursement of expenses paid to related parties: | | |
| ➤ Deepthi Anand | 1,23,027 | 44,606 |
| ➤ Prabha Shankarran | - | 5,000 |
| ➤ Peeyush Agrawal | 72,718 | 1,99,446 |
| ➤ Adarsha K R | 16,600 | 1,800 |
| ➤ Akshya T M | 3,110 | 60,612 |
| Sales to related parties: | | |
| ➤ Veer Capital Management Private Limited | 16,454 | 21,127 |

c) Balances as at the year-end:

| Particulars | 2020-21 | 2019-20 |
|---|----------|----------|
| Salary payable including retirement benefits: | | |
| ➤ Deepthi Anand | 7,58,787 | 98,000 |
| ➤ Prabhha Shankarran | 2,45,310 | 50,731 |
| ➤ Peeyush Agrawal | 2,28,431 | 1,18,175 |
| ➤ Adarsha K.R | 10,851 | 14,687 |
| ➤ Akshaya T M | 4,40,897 | 1,57,145 |
| Reimbursement of Expenses Payable: | | |
| ➤ Deepthi Anand | 2,96,084 | 16,084 |
| ➤ Peeyush Agrawal | 10,000 | 478 |
| Receivables: | | |
| ➤ Veer Capital Management Private Limited | 7,017 | 7,041 |

d) Unsecured loans outstanding, as disclosed in Note 3 include borrowings from former directors as follows:

| Particulars | 2020-21 | 2019-20 |
|---------------------|----------|----------|
| ➤ Rajkumar Elango | 6,00,189 | 6,00,189 |
| ➤ Rachel Kattukaran | 6,02,000 | 6,02,000 |
| ➤ Venugopal Nambiar | 6,02,000 | 6,02,000 |

24.13 Auditors Remuneration:

| Particulars | FY 2020-21 | FY 2019-20 |
|---|------------|------------|
| For Statutory Audit | 1,00,000 | 80,000 |
| For Limited Review report | 35,000 | - |
| For IFC report | 25,000 | 25,000 |
| For Others including certification work | 65,032 | - |

24.14 Lease:

- The company has not entered into any non-cancellable lease during the year.
- The Company has taken premises on lease which is an operating lease. Rentals paid during the year has been charged to Profit and Loss Account.

24.15 Utilization of Funds raised through Initial public offer

| Particulars | Objects of Issue as per Prospectus | Amount Utilised during 2019-20 | Change in objects of the Issue (refer note) | Amount Utilised during 2020-21 (refer note) | Balance pending utilisation as on 31.03.2021 |
|---|------------------------------------|--------------------------------|---|---|--|
| Construction of New Corporate Office and Headquarters Building | 200.00 | (2.86) | (197.14) | - | - |
| Purchase of Key Lab Equipments for expanding R&D facilities | 51.82 | (17.91) | (33.91) | - | - |
| Sales, Marketing Distribution expenses for increasing our brand value an geographical reach | 184.65 | (134.51) | - | (50.14) | - |
| General corporate purpose and Working Capital | 90.34 | (88.35) | 231.05 | (117.34) | 115.70 |
| Total | 526.81 | (243.63) | - | (167.48) | 115.70 |

Note: The Company has changed the objects of the Issue mentioned in the company's prospectus dated 13th December, 2019 from utilization of Amount related to Capital purpose to Working Capital requirement and other requirements to the extent of 231.05 lacs, the change in objects were approved by the members in the Extraordinary General Meeting held on 28th September, 2020

24.16 Uncertainty relating to the global health pandemic on COVID-19

- a) The company has considered the possible effects from the pandemic relating to COVID-19 on the carrying amounts of Assets and Liabilities as on 31.03.2021. As per the management assessment the business and operations of the company have been impacted due to the pandemic and there is a reduction in turnover and company has incurred operating losses during the year. However with the strategic understanding with suppliers/ customers / Investors, the company is reworking to improve the operations by changing the product mix, marketing initiatives and reduction in cost. In view of the same the company is a going concern. Company does not anticipate any reduction in the values of current and non-current assets as on 31.03.2021. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration will affect the continuation of consumers, reduction in demand of the product, attrition of the employees, increase in cost etc., consequently impacting the profitability and operations.

VALENCIA NUTRITION LIMITED

(Converted to Public Limited Company on April 9, 2018)

Note No.24 to the financial statements for the year ended March 31, 2021

24.17 All amounts are in Indian Rupees unless otherwise specified therein. Previous year's figures have been reclassified, regrouped wherever necessary, to be consistent with the current year's classification.

As per our attached report of even date.

For Manian & Rao

For and on behalf of the Board of Directors

Chartered Accountants

FRN: 001983S

Ravindra C

Partner

Membership No: 213658

Manish Pravinchandra Turakhia

Director

DIN: 02265579

Jay Jatin Shah

Director

DIN: 09072405

Date: 09th July, 2021

Place: Bengaluru

Himanshu Pareek

Company Secretary