



FLEX FOODS LIMITED

305, Third Floor, Bhanot Corner, Pamposh Enclave, Greater Kailash-I,
New Delhi-110 048, India Tel.: 2644 0917, 2644 0925. Fax : 2621 6922
Website : www.flexfoodsltd.com; E-mail : ~~flexsec@vsnl.in~~ secretarial@uflexltd.com, CIN : L15133UR1990PLC023970

FFL:SEC:20:

August 31, 2020

BSE Limited
Listing Deptt. (Corporate Relationship Deptt.)
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Fort
MUMBAI – 400 001

Subject: **Notice of the 30th Annual General Meeting (AGM) and Annual Report 2019-2020 under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

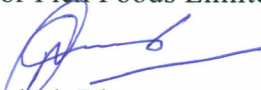
Dear Sir(s),

Please find attached the Notice of the 30th Annual General Meeting (AGM) and Annual Report for the Financial Year 2019-2020. The same is also available in the Company's website at <https://www.flexfoodsltd.com/b2c-annual-report.php>

This is for your information and record(s) please.

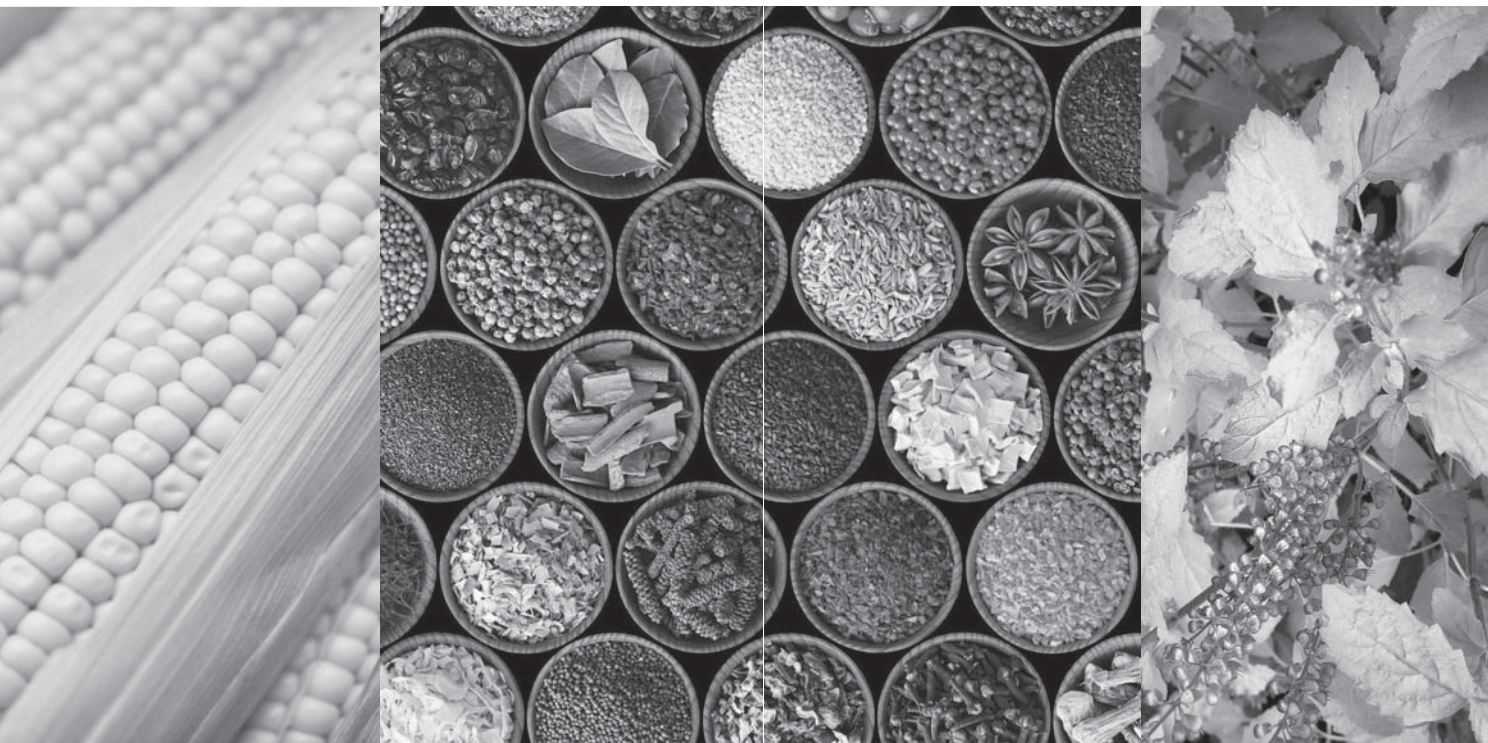
Thanking you

Yours Faithfully
For Flex Foods Limited


Rajesh Dheer
Company Secretary



**THIRTIETH
ANNUAL REPORT
2019-2020**




FLEX FOODS LIMITED



FLEX FOODS LIMITED
(CIN L15133UR1990PLC023970)

THIRTIETH ANNUAL REPORT
2019-2020

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman

P.N. SHARMA

INDU LIBERHAN (Appointed w.e.f. 16.08.2019)

R.K. MISHRA

RAJEEV SHARMA (Appointed w.e.f. 14.07.2020)

A. RAGHAVENDRA RAO (Resigned w.e.f. 03.04.2020)

M.M. VARSHNEY (Appointed w.e.f. 27.06.2020)
Whole Time Director

COMPANY SECRETARY

RAJESH DHEER

AUDITORS

Statutory Auditor

MJM & ASSOCIATES, LLP
Flat No. 905, Millenia Emerald Heights Apartments,
Ramprastha Green, Sector 7, Vaishali,
Ghaziabad, Uttar Pradesh 201010

Internal Auditor

VIJAY SEHGAL & CO.
100, New Rajdhani Enclave
Delhi-110 092

Secretarial Auditor

MAHESH GUPTA & CO.
Wadhwa Complex, Chamber No. 110,
Ground Floor, D-288-299/10, Laxmi Nagar,
Delhi-110 092

BANKERS

CANARA BANK
INDIAN BANK

REGISTERED OFFICE

Lal Tappar Industrial Area,
P.O. Resham Majri,
Haridwar Road,
Dehradun (Uttarakhand)
Phone: (0135) 2499234, (0135) 2499262
Fax: (0135) 2499235

SHARE DEPARTMENT

305, Third Floor, Bhanot Corner,
Pamposh Enclave,
Greater Kailash - I
New Delhi - 110048
Phone Nos.: 26440917, 26440925
Fax No. : 26216922
E-mail : secretarial@uflexltd.com

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd
Beetal House, 3rd Floor
99, Madangiri, Beind Local Shopping Centre
Near Dada Harsnath Das Mandir
New Delhi
Phone Nos.: 011 29961281 - 83
Fax No. : 011 29961284
E-mail : beetal@beetalfinancial.com

WORKS

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

Chidderwala
Dehradun
(Uttarakhand)



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting this 30th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

The summarized financial results for the year ended 31st March, 2020 and for the previous year ended 31st March, 2019 are as follows:

[Rs. in Lacs]

	Year Ended 31.03.2020	Year Ended 31.03.2019
Revenue from Operations	8149.60	8536.63
Other Income	187.60	164.41
Total Revenue	8337.20	8701.04
Profit before Finance Cost, Depreciation & Tax	1361.02	1954.68
Finance Cost	248.92	330.92
Depreciation	541.91	524.67
Profit before Tax	570.19	1099.09
Less : Tax Expenses	(108.76)	(4.22)
Profit for the year	678.95	1103.31

During the year under review, your Company achieved total revenue and net profit of Rs 8337.20 lacs and Rs 678.95 lacs respectively as against total revenue and Net Profit of Rs. 8701.04 lacs and Rs 1103.31 lacs respectively during the previous financial year ended 31st March, 2019.

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The Company has not been materially impacted by the coronavirus as of now. Since Company's business falls within the category of manufacturing of essential commodities, therefore company has not seen any material impacts on the its business activities for the financial year under report. However the extent to which the coronavirus will have additional impacts on the Company's business activities will depend on future developments, which are highly uncertain and can't be predicted.

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

TRANSFER OF UNCLAIMED DIVIDEND TO AUTHORITY

An amount of Rs 11,90,254 (Rupees Eleven Lacs Ninety Thousand Two Hundred Fifty Four only) was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

TRANSFER OF UNCLAIMED SHARES TO AUTHORITY

As per the provision of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has transferred 43443 (Forty Three Thousand Four Hundred Forty

Three) Equity Shares on which dividend was not paid for more than seven years to the Investor Education and Protection Fund (IEPF) during the year under review.

DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs 0.75 (seventy five paisa) per share for the financial year ended March 31, 2020 after considering business exigencies.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 17.09.2020. In respect of share held in dematerialized form, it will be paid to those member whose names are furnished by National Securities Depository Limited and Central Depository Service (India) Limited as beneficial owner.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company.

SHARE CAPITAL

The paid-up equity share capital outstanding as on 31st March, 2020 was Rs.12.45 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31st March, 2020 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Shri Ashok Chaturvedi – 7,610 Equity shares

FIXED DEPOSITS

The Company neither had any fixed deposits outstanding as at 31st March 2020 nor any fresh/renewal of deposits were accepted during the financial year 2019-20. There were no unclaimed deposits as at March 31, 2020.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

None of the Director of the Company are disqualified under the provision of the Company's Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Madan Mohan Varshney (DIN 08349956) was appointed as Additional and Whole-time Director of the Company on 27.06.2020 and Smt. Indu Liberhan (DIN 03341420) was appointed as an Additional Director on the Board w.e.f. 16.08.2019. They will hold office upto the date of ensuing Annual General Meeting and being eligible offer themselves for appointment as Directors of the Company. Your Directors welcome Shri Madan Mohan Varshney and Smt. Indu Liberhan on the Board of the Company.

Further the Nomination and Remuneration Committee at its meeting held on 27.06.2020 has recommended the candidature of Shri Rajeev Sharma to be appointed as Director of the Company. Due to non-availability of Director Identification no. (DIN), the Board of Directors at its meeting held on 27.06.2020 decided to take up the proposed appointment after receiving the DIN. If he appointed as an Additional Director then he will also hold the office up to the date of ensuing Annual General Meeting.



In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Ashok Chaturvedi Director (DIN 00023452) of the Company retire by rotation and being eligible, offers himself for reappointment.

The Brief Resume and other details as required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 and SS-2 issued by ICSI are provided in the Notice of Annual General Meeting of the Company.

Shri A Raghavendra Rao resigned from the Board of Directors of the Company w.e.f. 03.04.2020 due to his pre-occupation. The Board of Directors place on record their appreciation for the valuable contribution made during his tenure as Director of the Company.

All the Independent Directors of your Company have given declarations confirming that they meet the criteria of Independence as prescribed both under the Act and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Familiarization Programme to Independent Directors of the Company are put up on the website of the Company at the link <https://www.flexfoodsltd.com/pdf/Familiarization-Program-for-Independent-Directors/Familiarization-Program-for-Independent-Directors-2019-2020.pdf>

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the Annual Accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Company has selected such accounting policies and applied consistently and 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 as at 31st March, 2020 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.

- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

STATUTORY AUDIT & AUDITORS

There is no change in Statutory Auditors as M/s. MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013), will continue as Statutory Auditors of the Company. They were appointed as Statutory Auditor of the Company for a term of five years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013.

The Report given by M/s. MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013)), Statutory Auditors on the financial statement of the Company for the year 2019-2020 is part of the Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed to the Boards Report.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2020 are self-explanatory and therefore do not call for any further comments.

INTERNAL AUDITORS

The Board of Directors of your Company has re-appointed M/s. Vijay Sehgal & Co., Chartered Accountants, New Delhi (Firm Registration No.000374N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2020-2021.

SECRETARIAL AUDITORS

The Board has re-appointed M/s Mahesh Gupta & Co., Practicing Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor is annexed to the Report as per Annexure 'A'.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises Shri P.N. Sharma, Chairman, Shri Rajendra Kumar Mishra, Member and Shri A. Raghavendra Rao (Resigned w.e.f. 03.04.2020), Member. The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.flexfoodsltd.com/pdf/CSRPolicy.pdf>.

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society and environment.



Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure –“B” is integral part of this Report.

The Company was required to undertake CSR activities utilizing Rs.22.61 lacs based on the average profits of the three proceeding financial years. However, the Company has spend Rs. 0.50 lacs on CSR activity. It was explained that the Company was not able to identify any meaningful CSR activity for spending the balance amount of Rs. 22.11 lac for CSR activities.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 with the Stock Exchanges.

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

Disclosure under Companies Act, 2013

(i) Extracts of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 is annexed as per Annexure E which forms as an integral part of this Report and is also available on the Company's website www.flexfoodsltd.com.

(ii) Meetings

During the year, four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in Corporate Governance Report appended hereto.

(iii) Composition of Audit Committee

The Audit Committee, comprises of Smt. Indu Liberhan as the Chairperson, Shri P.N. Sharma, Shri Rajendra Kumar Mishra, and Shri A. Raghavendra Rao (resigned w.e.f. 03.04.2020) as the Members. More details about the Committee are given in the Corporate Governance Report appended hereto.

(iv) Related Party Transactions

All related party transactions are negotiated on an arms-length basis and are in ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. However, suitable disclosure has been made in the notes to the Financial Statements.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website www.flexfoodsltd.com at the weblink <https://www.flexfoodsltd.com/pdf/Related-Party-Policy.pdf>.

(v) Particulars of Loans, Guarantees and Investments

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013 and under the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance and that of its committees and all the Directors individually.

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

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaint was received from any employee during the financial year 2019-2020 and hence no complaint is outstanding as on 31st March, 2020 for redressal.

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

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2020 and the date of this report affecting financial position of the Company. The impact of global pandemic Covid-19, have been already provided in this report.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

RISK MANAGEMENT POLICY

Risk Management is a very important part of any business. Company's Risk Management Policy divides Risk into two broad categories; one Risk Associated at the Transactional Level and the other Risk Associated at the Decision Making Level.



In respect of the Risk Associated at Transactional Level, the company has appropriate control mechanism and operating effectiveness of the Internal Financial Controls and ensure Legal Compliance. The company has created appropriate structures with proper delegation of duties and responsibilities of employee at each level on enterprise basis for compliances thereof.

In respect of Risk Associated at Decision Making level like political, social & economic, market, technology, capital structure, foreign exchange & interest rate, they are evaluated before taking any strategic & financial decisions.

Adequacy and operative effectiveness of the Internal Financial Control and ensuring Legal Compliance are periodically reviewed by the Management, Internal Auditors, Statutory Auditors and the Audit Committee.

However no risk has been identified which in the opinion of the Board may threaten the existence of the Company.

POLICY ON REMUNERATION

The company has Nomination and Remuneration Policy for Directors, Key Management Personnel and Senior Management Personnel. The said policy is available at https://www.flexfoodsltd.com/pdf/Nomination_Remuneration_Policy.pdf

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have any subsidiary or Joint Venture. However, the company is associate company of Uflex Limited.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Member interested in

obtaining a copy thereof, may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as per Annexure 'F'.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed as "Annexure 'G'".

DISCLOSURE OF COST RECORD

The provisions of maintenance of cost records specified by the Central Government under subsection-(1) of section 148 of the Company's Act, 2013 for the products dealt/manufacture by the Company are not applicable of the Company.

PERSONNEL

Personnel relations with all employees remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciations for the continued, sincere and devoted services rendered by all the employees of the Company.

ACKNOWLEDGEMENT

The Directors express their gratitude and thanks to all the Institutions & Banks, Government Authorities where company's operations are carried out, Shareholders, Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

For & On behalf of the Board

Ashok Chaturvedi

Chairman

(DIN 00023452)

Place : NOIDA

Dated: 27th June, 2020



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To

The Members

FLEX FOODS LIMITED

(CIN: L15133UR1990PLC023970)

**Lal Tappar Industrial Area, PO-Resham Majri,
Haridwar Road, Dehradun,
Uttarakhand**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FLEX FOODS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable as the Company did not issue any securities during the financial year under review.**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not**

Applicable as the Company has not granted any Options to its employees during the financial year under review.

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as the Company has not issued any debt securities during the financial year under review.**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not got delisted its equity shares from any stock exchange during the financial year under review.**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) The management has identified and informed the following laws as being specifically applicable to the Company:
1. Indian Boilers Act, 1923 and Rules made thereunder
 2. Indian Explosives Act, 1984 and all other Acts and Rules Applicable
 3. Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
 4. Air (Prevention and Control of Pollution) Act, 1981
 5. Environment (Protection) Act, 1986 and Rules made thereunder
 6. Legal Metrology Act, 2009 and Rules made thereunder
 7. Food Safety and Standards Act, 2006

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above. However, the Company has spent an amount of Rs 0.50 lacs as against Rs. 22.11 lacs on CSR activities, which the Company was required to spend pursuant to Section 135(5) of the Companies Act, 2013 during the financial year 2019-20.



We further report that

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

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

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

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates

issued by the Whole-time Director & CEO and CFO and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no major actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. above taken place.

Place: Delhi
Date : 27.06.2020

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870
C P No.: 1999
UDIN: F002870B000388662

This report is to be read with our letter of even date which is annexed as '**Annexure –A**' and forms an integral part of this report.

ANNEXURE - A-1

To
The Members
FLEX FOODS LIMITED
(CIN: L15133UR1990PLC023970
Lal Tapper Industrial Area, P.O. Resham Majri,
Haridwar Road, Dehradun,
(Uttarakhand)

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

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

Place: Delhi
Date: 27.06 2020

For Mahesh Gupta and Company
Company Secretaries
Mahesh Kumar Gupta
Proprietor
FCS No.: 2870
C P No.: 1999
UDIN: F002870B000388662



**ANNEXURE - B
CSR REPORT**

- | | | |
|----|---|---|
| 1. | A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company has framed a CSR Policy in compliance with the Provisions of Companies Act, 2013 and the same is placed on the Company’s website www.flexfoodsltd.com and the weblink for the same is http://www.flexfoodsltd.com/PDF/Corporate-Social-Responsibility-Policy/CSRPolicy.pdf |
| 2. | The Composition of the CSR Committee | Shri P.N. Sharma, Chairman
Shri R.K. Mishra, Member
Shri A. Raghavendra Rao, Member (Upto 03.04.2020) |
| 3. | Average net profit of the company for last three financial years: Average net profit | Rs. 1130.50 lacs |
| 4. | Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) | Rs 22.61 lacs |
| 5. | Details of CSR spent during the financial year: | |
| | a) Total amount to be spent for the financial year; | Rs 0.50 lacs |
| | b) Amount unspent, if any; | Rs.22.11 lacs |
| | c) Manner in which the amount spent during the financial year is detailed below: | |

CSR ACTIVITIES AT FLEX FOODS LIMITED FOR FY 2019-2020							
S. No	CSR project or activity identified	Sector in which the Project or Program is covered	Project or programme geography 1) Local area or other 2) Specify the State and district where Project or Program was undertaken	Amount Out-lay (Budget) Project or Program wise	Amount spent on the Project or Program Sub-heads 1) Direct Expenditure on Project or Program 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementation Agency
1	Ecosystem Restoration through Community Action	Companies Act 2013; Section 135, Schedule VII, item iv Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water	Location: Dehradun	Rs 0.50 Lacs	Direct Expenditure Rs 0.50 Lacs	Rs 0.50 Lacs /-	Society of Pollution & environmental Conservation Scientists
			TOTAL	Rs 0.50 Lacs		Rs 0.50 Lacs	

- 6 In the case of company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reason for not spending the amount shall be stated in the Board Report.
- Company consider social responsibility as an integral part of its business activities an endeavors to utilize allocable CSR budget for the benefit of society. The balance amount could not be spent as the company was not able identify meaningful CSR activities. .
- 7 The CSR Committee confirms that the implementation and monitoring if the CSR policy is in compliance with the CSR objectives and policy of the Company.
- Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

Place :Noida
Dated 27th June, 2020

Ashok Chaturvedi
Chairman
DIN 00023452

P.N. Sharma
(Chairman of CSR Committee)
DIN 00023625



ANNEXURE 'C' TO DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE

Corporate Governance

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (The Listing Regulations) the Company submits the Report on Corporate Governance followed by the Company.

1. Company's Philosophy on Code of Governance

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

2. Board of Directors'

(a) Composition and category of the Board (As on March 31, 2020)

The Board of Directors of the Company comprises of Five Directors with one Executive Director and three Independent Non-executive Directors including a Woman Director and one Non-executive Director. The Chairman of the Company is a Non-executive Director. The Board consists of eminent persons with considerable professional experience in the field of business, industry, finance, audit and law and public enterprises. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies and no Independent Director is serving as a Whole-time Directors in any Listed Company. All the Directors have made disclosures regarding their directorship and memberships on various Committees across all Companies in which they are directors and/or members.

The Composition of the Board of Directors & Category of Directors as on 31.03.2020 is as follows:

Name of Directors	DIN	Designation	Category
Shri Ashok Chaturvedi	00023452	Chairman	Promoter -Non-executive
Shri P.N. Sharma	00023625	Director	Independent, Non-executive
Shri Rajendra Kumar. Mishra	07905342	Director	Independent, Non-executive
Smt. Indu Liberhan*	03341420	Director	Independent, Non-executive
Shri A. Raghavendra Rao@	05116052	Whole-time Director	Executive

*Smt. Indu Leberhan was appointed as an Additional Director of the Company w.e.f 16.08.2019
@ Shri A. Raghavendra Rao has resigned from the Board w.e.f. 03.04.2020

b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2019-2020. The dates on which the meetings were held are, 25th May, 2019, 07th August, 2019, 12th November, 2019 and 12th February, 2020. The gap between two meetings was not more than 120 days.

i) Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committees of each Director in various Companies are as follows:

Name of the Directors	Attendance Particulars	
	Board Meetings	Last AGM
Shri Ashok Chaturvedi	4	No
Smt. Indu Leberhan*	2	No
Shri P. N. Sharma	4	Yes
Shri Rajendra Kumar Mishra	4	Yes
Shri A. Raghavendra Rao@	4	Yes

*Smt. Indu Leberhan was appointed as an Additional Director of the Company w.e.f 16.08.2019
@Shri A Raghavendra Rao has resigned from the Board w.e.f. 03.04.2020

ii) Directorships and Committee Membership/Chairmanships in other Public Listed Companies / name of Listed Entities where the person is a director and category of Directorship



Name of Director	No. of other Directorship and Committee Membership / chairmanship			Name of Listed Entities where the person is Director and the category of Directorship
	Other Directorship in Public Companies	No. of Membership of Board Committee in other Companies#	No. of Chairmanship of Board Committee in other Companies#	
Shri Ashok Chaturvedi	1	-	-	1) Uflex Limited (Executive Chairman) 2) Flex Foods Limited (Non Executive Director)
Shri Paresh Nath Sharma	1	3	1	1) Singer India Limited (Independent Non-Executive) 2) Flex Foods Limited (Independent Non Executive Director)
Smt. Indu Leberhan*	1	2	1	1) Flex Foods Limited (Independent Non Executive Director) 2) Uflex Limited (Independent Non Executive Director)
Shri Rajendra Kumar Mishra	-	-	-	1) Flex Foods Limited (Independent Non Executive Director)
Shri A. Raghvendra Rao@	-	-	-	2) Flex Foods Limited (Executive Director)

*Smt. Indu Leberhan was appointed as an Additional Director of the Company w.e.f 16.08.2019

@Shri A Raghavendra Rao has resigned from the Board w.e.f. 03.04.2020

In accordance with SEBI (LODR) Regulation, 2015, Membership / Chairmanship of only the Audit Committee and stakeholder Relationship Committee in all public companies whether listed or not have been considered. Further, every Director has informed the company about the Committee position he / she occupies in other companies as on 1st April, 2020

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

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

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

As on 31st March, 2020, none of the Directors of the Company held shares or convertible instruments of the Company except Shri Ashok Chaturvedi, Director who held 7610 equity shares.

(e) Board Procedure

The Board Meetings of the Company are convened by the Company Secretary on the direction of the Chairman. Sufficient notice in writing is given to all Directors for the Board Meetings and/or other Committee Meetings. All important matters concerning the working of the Company alongwith requisite details are placed before the Board.

(f) Information supplied to the Board

The Board has complete access to all information of the Company, inter-alia, the information as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 are provided to the Board as a part of the agenda.

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

(g) Matrix setting out of skills / expertise / competence of the Board of Director

The Company being in cultivation and processing of Mushroom, Herbs, Fruit and Vegetable business, the required skill / expertise / competence of Board of Directors are to solve issue concerning processing of foods products in various area such as cultivation, procurements, sales, quality assurance, operation, marketing, environmental science and logistics apart from finance and administrative.

Company's Board of Directors possess the requisite Skills / Expertise / Competence. Shri Ashok Chaturvedi,

Company's Chairman is the Chief Promoter of the Company, who had set up the business himself being the first generation entrepreneur and has in depth knowledge in food business of the company.

Shri M.M. Varshney, Whole-time Director (appointed on 27.02.2020) of the Company, has served in the Company for last 12 years. He is having the depth knowledge of food processing /technology .

Smt. Indu Liberhan, Shri P.N. Sharma and Shri R. K. Mishra have vast knowledge in Finance, Banking, Audit & Administration etc.

(h) Compensation or Profit Sharing

No employee including Key Managerial personnel or directors or promoters of the company was entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regards to compensation or profit sharing in connection with dealings in the securities of the Company.

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

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

(j) Independent Directors

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience in the deliberations of the Board. This enriches the decision making process at the Board level with different points of view and experiences and prevents conflict of interest.

The appointment of independent Directors is carried out in structure manner. The Nomination and Remuneration Committee identifies potential candidates based on certain laid down criteria and take into consideration the diversity of the Board. The terms and conditions of appointment of Independent Directors are available on the website of the company www.flexfoodsltd.com (weblink <https://www.flexfoodsltd.com/pdf/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Directors.pdf>) The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

The Independent Directors have been appointed for a fixed tenure of three years from their respective dates of appointment. Their appointment has been approved/ to be approved by the Members of the Company at the Annual General Meetings.

Separate Meetings of Independent Directors

As stipulated in the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 12th February, 2020 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committee which is necessary to effectively and reasonably perform and discharge their duties.

During the year, none of the Independent Directors of the Company had resigned before the expiring their respective tenure(s).

(k) Familiarization Programme for Independent Directors

The Independent directors of Flex Foods Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed considering that management expertise and wide range of experience. The Independent Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. Independent Directors are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.flexfoodsltd.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent directors during the year are available on the website of the Company (weblink : <https://www.flexfoodsltd.com/pdf/Familiarization-Program-for-Independent-Directors/Familiarization-Program-for-Independent-Directors-2019-2020.pdf>)

3 Audit Committee

During the year, the Audit Committee comprises of viz. Shri P.N. Sharma, Smt. Indu Leberhan, Shri R.K. Mishra and Shri A Raghavendra Rao. Shri P.N. Sharma is the Chairman of the Audit Committee All the members of the Audit Committee



are Non-Executive Independent Directors. Except Shri A Raghavendra Rao who was whole-time Director of the Company Majority of members have accounting and financial management expertise.

However due to resignation of Shri A Raghavendra Rao from the Directorship of the company he ceased as member of the Committee w.e.f. 03.04.2020.

Shri P.N. Sharma (Chairman) of the Audit Committee was present in the last Annual General Meeting held on 05.08.2019

The terms of reference and role of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity with and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which include the following:

A) Role of the Audit Committee shall includes following:-

- (1) Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) Recommending for appointment, remuneration and terms of appointment of Auditors of the Company.
- (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- (4) Reviewing, with the Management, the Annual Financial Statement and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report.
- (5) Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval.
- (6) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- (7) Reviewing, and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (8) Approval of any subsequent modification of transaction of the Company with related party .
- (9) Scrutiny of inter-corporate loans and investments.
- (10) valuation of undertaking or assets of the company, wherever it is necessary.
- (11) evaluation of internal financial control and risk management system.
- (12) reviewing with the management performance of statutory and internal auditors, adequacy of internal control system.
- (13) Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (14) Discussion with Internal Auditors any significant findings and follow up thereon.
- (15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (17) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (18) To review the functioning of the Whistle Blower Mechanism.
- (19) approval of appointment of chief financial officer after assessing the 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 the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- B)** In addition to the above, Audit Committee shall mandatory reviews the following information:
- 1) management discussion and analysis of financial condition and results of operations;
 - 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - 4) internal audit reports relating to internal control weaknesses; and
 - 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - 6) statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- C) Powers of Audit Committee**
- (1) To investigate any activity within its terms of reference.
 - (2) To seek any information from any employee.
 - (3) To obtain outside legal or other professional advice.
 - (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Details of Meetings and Attendance

During the year, the Audit Committee had met four times on 25th May, 2019, 07th August, 2019, 12th November, 2019 and 12th February, 2020. The attendance of each Committee members is as under:

Name of Members	Meeting attended
Shri P.N. Sharma	4
Shri R.K. Mishra	4
Smt. Indu Liberhan	2
Shri A Raghavendra Rao	4

The Head of Finance, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. Further, representatives from various departments of the Company also attend the meetings as and when desired by the members of the Committee to answer and clarify questions raised at the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

4) Nomination and Remuneration Committee.**Terms of Reference**

The terms of reference of Committee includes, responsibility of recommend/review the remuneration of Executive Directors and Senior Management Personnel after taking into consideration, inter-alia, various factors such as qualification, experience, expertise of the Director / Senior Manager Personnel prevailing remuneration in the corporate world and financial positions of the company etc., formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance, 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 the Board their appointment and removal etc. and formulate criteria for determining qualifications, positive attitude and independence of a director and recommend to the Board a policy relating to the remuneration in whatever form for the directors, key managerial personnel and other employees

Presently the Nomination and Remuneration Committee consists of three members viz Shri P.N. Sharma, Shri R.K. Mishra. and Smt. Indu Liberhan (Joined w.e.f. 16.08.2019). All the members of the Nomination and Remuneration Committee are Non-Executive and Independent. Shri P.N. Sharma (Chairman of the Nomination and remuneration Committee) was present in the last Annual General Meeting held on 05th August, 2019. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met on 25th May, 2019 and 7th August, 2019. All the members of the Committee had attended the aforesaid Meeting.



Performance Evaluation for Independent Director

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

5. Remuneration to Directors

Details of Remuneration paid to Whole-time Director for the year ended 31.03.2020 is given below:

(Rupees in lacs)

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission (paid) (Rs.)	Total (Rs.)	Service Contract
Shri A. Raghavendra Rao	34.20	46.28	-	80.48	3 Years

For any termination of contract, the Company or the Whole-time Director is required to give notice of three months to the other party.

The company does not have any stock option scheme.

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

Sitting fees is paid to Non-executive directors for attending each meeting of the Board and Committees thereof. The criteria for making payment to Non-Executive Directors is available at the Company's website www.flexfoodsltd.com (weblink: <https://www.flexfoodsltd.com/pdf/CRITERIA%20FOR%20MAKING%20PAYMENT%20TO%20NON-EXECUTIVE%20DIRECTORS.pdf>)

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

(in Rs.)

Name of Directors	Board Meetings	Committee Meetings	Total
Shri Ashok Chaturvedi	100000	75000	175000
Shri P.N. Sharma	100000	275000	375000
Shri R. K. Mishra	100000	250000	350000
Smt. Indu Liberhan	50000	100000	150000

6. Stakeholders' Relationship Committee

During the year, the Stakeholders' Relationship Committee consists of Shri P.N. Sharma (Chairman), Shri R.K. Mishra, Smt. Indu Liberhan (Joined w.e.f. 16.8.2019) and Shri A. Raghavendra Rao. The Committee, inter-alia, approves issue of duplicate certificates and oversees & reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/investors' grievances. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company Secretary acts as the Secretary to the Committee.

In order to expedite the process of share transfers/transmission, the Board of Directors have nominated a Committee of two officers, who normally attend to the transfer, Non receipt of Annual Report, Dividend and other related matters within a period of 10 days. The Committee of Officers operates subject to overall supervisions and directions of Stakeholders' Relationship Committee.

However due to resignation of Shri A Raghavendra Rao from the Directorship of the company he has been ceased as member of the Committee w.e.f. 03.04.2020

During the year, the Shareholders'/Investors' Grievance Committee had met 16th July, 2019 and 22nd November, 2019. All the members had attended the meetings.

The total numbers of complaints received and resolved during the year under review were 5 outstanding complaints as on 31.03.2020 were nil. There was no valid share transfer pending for registration for more than 10 days as on the said date.

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

Prohibition of Insider Trading

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

7. Corporate Social Responsibility Committee of Board

During the year, the CSR committee has three members consisting of Shri P.N. Sharma (Chairman), Shri R. K. Mishra and Shri A. Raghavendra Rao, However due to resignation of Shri A Raghavendra Rao from the Directorship of the company he has been ceased as member of the Committee w.e.f. 03.04.2020



The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementation of the framework of 'Corporate Social Responsibility Policy'.

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

The terms of reference of the committee include formation and recommendation to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken by the Company in compliance with provision of the Companies Act, 2013 and rules made thereunder; recommending the amount of expenditure to be incurred on CSR activities and monitoring the CSR Policy of the Company from time to time as specified in Schedule VII of the Companies Act, 2013. The CSR Policy is available on the website of the company www.flexfoodsltd.com at weblink <https://www.flexfoodsltd.com/pdf/CSRPolicy.pdf>

The meeting of Corporate Social Responsibility Committee was held on March 20, 2020. All the members had attended the meeting.

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

8. Subsidiary Companies

The Company does not have any Subsidiary Company.

9. General Body Meetings

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

AGM	Day, Date & time	Venue	Special Resolution Passed
27 th	Saturday August 12, 2017 at 3:00 P.M.	Registered Office at: Lal Tappar Industrial Area P.O. Resham Majri Haridwar Road, Dehra- dun, Uttarakhand	Nil
28 th	Thursday August 23, 2018 at 3:00 P.M.	Same as above	<ul style="list-style-type: none"> Appointment of Shri A. Raghavendra Rao Whole-time Director and fix his remuneration Reappointment of Shri P.N. Sharma (DIN 00023625) as an independent Directors Amendment to Article of Association of the Company
29 th	Monday August 05, 2019 at 11.30 A.M.	Same as above	<ul style="list-style-type: none"> Reappointment of Shri R. K. Mishra (DIN 07905342) as independent Directors

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

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

(c) Procedure of Postal Ballot

For conducting a postal Ballot, notice specifying the resolution proposed to be passed through postal ballot an also the relevant explanatory statement & the postal ballot forms as dispatched to all the shareholders along with self-addressed postage prepaid / business reply envelope. The shareholders are requested to send back the postal ballot form duly filled-up & signed in the postage prepaid / business reply envelopes provided to them by the company so to reach the scrutinizer (in whose name envelopes are made) on or before 30th days from the date of issue of notice by the Company.

The company has entered into e-voting registration agreement with CDSL to provide e-voting facility to the shareholders of the company.

The scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hand over the results to the Chairman or in absence to any director authorized by the Board. The Chairman or any other director there upon declares the result of postal ballot.

10. Disclosures

a) Related Party Transactions

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

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

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

b) Whistle Blower / Vigil Mechanism Policy

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



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

The Company hereby affirms that no personnel has been denied access to Audit Committee.

c) Disclosure of Accounting Treatment

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

d) Disclosures of Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

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

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

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

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

g) Management Discussion and Analysis

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

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

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

i) Code of conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the directors and senior management. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been put on the Company's website (www.flexfoodsltd.com) (Weblink <https://www.flexfoodsltd.com/pdf/Code%20of%20Conduct.pdf>) . The Code has been circulated to all the members of the Board and Senior Management and its compliance is affirmed by them.

A declaration signed by the Company's Whole-time Director is published in this Report.

j) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2020 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

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

l) Company has obtained a Certificate from M/s Mahesh Gupta & Company, Company Secretary in practice, that none of directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Board/Ministry of Corporate Affairs or any such statutory authority. The required certificate is attached to the report on Corporate Governance as Annexure C-1.

m) The Board of Directors of the Company has accepted the recommendations of all the Committee made recommendations.

n) Total fees for all services paid by the company to Statutory Auditor, M/s MJMJ & Associates LLP, Chartered Accountants are Rs. 22.45 Lacs.

o) Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made elsewhere in Directors Report.

p) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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

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

r) Outstanding ADRs / GDRs / Warrants

No ADRs/GDRs/ Warrants or any convertible instrument has been issued by the Company. Hence there was no outstanding ADRs. GDRs as on 31.03.2020.

s) The company is in compliance with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

**t) Discretionary disclosures**

The status of compliance with non-mandatory recommendations of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:-

Reporting of Internal Auditors: The Internal Auditors of the Company make presentation to the Audit Committee on their report

11. CEO/CFO Certifications

Shri Madan Mohan Varshney, Senior Vice President and Shri Naval Duseja, DY. General Manager (Finance & Account) designated as CFO give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on 27th June, 2020.

12. Other Requirements**(i) The Board**

The Chairman of the Company is the Non-Executive Chairman and no expenses are incurred by the Company for the maintenance of the Chairman's office.

All the Directors including Independent Directors are appointed/ re-appointed by the Board from time to time.

(ii) Shareholders Rights

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

(iii) Audit Qualifications

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

(iv) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee

13. Means of Communication

The quarterly un-audited financial results duly approved by the Board of Directors are sent to the Stock Exchange where the Company's shares are listed immediately after the Board Meeting. The same are also published in widely circulated Newspapers such as 'Financial express'(English) and 'Jansatta'(Hindi) newspapers in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the stipulated period and in the format as prescribed by the Stock Exchanges and the Company posts its financial results for all quarters on its own website i.e. www.flexfoodsltd.com at weblink <https://www.flexfoodsltd.com/b2c-financial-results.php> and that of stock exchange i.e. BSE Limited

-BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Any presentation made to Institutional Investors and Analyst are also posted on the Company's website

14. General Shareholders Information**(a) Annual General Meeting to be held**

Date : 25.09.2020

Day : Friday

Time: 11:30 AM (Annual General Meeting through video conferencing/other audio visual means (VC/OAVM) facility.

Deemed venue for meeting: Regd. Office: Lal Tapper Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand

(b) Financial Calendar (tentative subject to relaxation due to Covid-19)

- Results for quarter ending 30.06.2020 By mid of August, 2020
- Results for quarter ending 30.09.2020: By mid of November, 2020
- Results for quarter ending 31.12.2020: By mid of February, 2020
- Results for quarter ending 31.03.2021: Last week of May, 2021

(c) Book Closure date

18.09.2020 to 25.09.2020 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2019-2020, if declared will be paid/credited to the account of the shareholders on or after 25.09.2020.



(e) **Listing of Equity Shares on Stock Exchanges**

The equity shares are listed with the BSE Limited, Mumbai

Note : Annual Listing fee have been duly paid to BSE Limited for the Year 2020-2020.

(f) **Stock Code** - BSE Limited : 523672 (**Equity shares**)

(g) **Demat ISIN Number in NSDL & CDSL** : INE 954B01018

(h) **Stock Market Price for the year 2019-2020:-**

Share prices on BSE Limited are as under:

(Rs.)

Month	High	Low
April, 2019	64.45	57.00
May, 2019	64.40	51.05
June, 2019	69.40	55.05
July, 2019	64.00	49.30
August, 2019	58.20	44.30
September, 2019	54.80	46.30
October, 2019	53.85	43.10
November, 2019	52.00	41.00
December, 2019	46.00	37.00
January, 2020	58.45	40.35
February, 2020	47.15	35.05
March, 2020	38.00	22.00

(i) **Performance in comparison to broad base in indices such as BSE Sensex, Crisil Index etc.**



**(j) Address for correspondence for Shares transfer and related matters:****For shares held in physical form:**

The Company's Registrar & Share Transfer Agent (RTA), address at:

Beetal Financial & Computer Services Pvt. Ltd.
(Unit : Flex Foods Ltd.)
Beetal House
3rd Floor, 99, Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi – 110062
Tel. No. 011-29961281, Fax No. 011 – 29961284

For shares held in Demat form:

To the Depository Participants (DP)

(k) Credit Rating

The India Rating and Research (Ind-Ra) has affirmed Company's long term Rating at "Ind BBB." The outlook is Stable

(l) Share Transfer System.

The Company is complying the terms of the Listing Regulations, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior 1st April, 2019 and returned due to deficiency in the document. Shareholders are advised to dematerialise their shares held by them in physical form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

(m) Distribution of Shareholding as on 31.03.2020

Range	No. of Shareholders	No. of shares	% of total equity
1 - 500	15019	13762532	11.96
501-1000	519	427087	3.43
1001-2000	279	426806	3.43
2001-3000	96	244834	1.97
3001-4000	43	156106	1.25
4001-5000	39	180597	1.45
5001 -10000	45	323707	2.61
10001 – 20000	31	403931	3.24
Above 20000	17	8910679	71.57
TOTAL	12088	12450000	100.00

(n) Categories of Shareholders as on 31.03.2020

Category Code	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	Shareholding of Promoters & Promoter Group			
1	Indian	9	7429735	59.68
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	7429735	59.68
(B)	Public Shareholding			
1	Institution	-	-	-
2	Non-Institution	12079	5020265	40.32



	Total Public Shareholding	12079	5020265	40.32
(C)	Non Promoter-Non Public	--	--	--
(C1)	Share Underlying DRs	--	--	--
(C2)	Shares /held by Employee Trusts	--	--	--
	Total (A+B+C))	12088	12450000	100.00

(o) **Dematerialization of Shares and liquidity**

Nearly 96.33% of total equity share capital is held in dematerialized form upto 31.03.2020 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

(p) **Plant Locations**

- (i) Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand. 248140
- (ii) Village Chhiderwala, Haridwar Road, Dehradun, Uttarakhand.

(q) **Address for Correspondence**

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

Beetal Financial & Computer Services Pvt. Ltd.

(Unit Flex Foods Ltd.)
 BEETAL House
 3rd Floor, 99, Madangir
 Behind Local Shopping Centre
 Near Dada Harsukhdas Mandir
 New Delhi – 110062
 Tel. No.011- 29961281
 E-mail: beetal@beetalfinancial.com
 Fax No.011- 29961284

Flex Foods Limited

305, Third Floor
 Bhanot Corner
 Pamposh Enclave
 Greater Kailash – I
 New Delhi - 110048
 Tel. No.011-26440925
 Fax No.011-26216922
 E-mail : secretarial@uflexltd.com

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

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

Sl No.	Particulars	No. of Shareholders	No. of Equity share held
1	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying in the beginning of the year.	21	2800
2	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	--	--
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	--	--
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year.	21	2300

NOTE :- 500 shares were transferred to IEPF during the year

It may please be noted that the voting right on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

16. Compliance Certificate

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.

The above report has been placed before the Board at its meeting held on 27th June, 2020 and the same was approved



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of
FLEX FOODS Limited

We have examined the compliance of conditions of Corporate Governance by FLEX FOODS LIMITED ('the Company'), for the year ended 31st March, 2020 as per Regulations 17, 18, 19, 20, 22, 23, 25, 26, 27 and clause(b) to (i) of the Regulation 46(2) and paragraph C, D, E & F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Agreement').

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

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

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

FOR MJMJ & ASSOCIATES LLP.
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. 027706N / C400013

DATED : 27.06. 2020
PLACE : NOIDA

MEGHA JAIN
PARTNER
MEMBERSHIP NO.415389

DECLARATION

To the members of
FLEX FOODS LIMITED

I Madan Mohan Varshney, Whole- Time Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the rules of Code of Conduct for the financial year ended 31st March, 2020 pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : NOIDA
Dated : 27.06.2020

For **FLEX FOODS LIMITED**

Madan Mohan Varshney,
Whole-time Director



ANNEXURE – C1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members**FLEX FOODS LIMITED****(CIN: L15133UR1990PLC023970)****Lal Tappar Industrial Area,****P.O. Resham Majri,****Haridwar Road,****Dehradun (Uttarakhand)**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Flex Foods Limited having CIN L15133UR1990PLC023970 and having registered office at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun (Uttarakhand) (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Shri Ashok Chaturvedi	00023452	05-02-1990
2	Shri Paresh Nath Sharma	00023625	26-05-2016
3	Smt. Indu Liberhan*	03341420	16-08-2019
4	Shri Rajendra Kumar Mishra	07905342	16-08-2017
5	Shri A. Raghavendra Rao**	05116052	14-08-2017
6	Smt. Anupam Ahuja***	03261077	01.08.2015

*Appointed as Additional Director w.e.f. 16.08.2019

**Resigned from the Company w.e.f. 03.04.2020

*** Smt. Anupam Ahuja has resigned from the Company w.e.f. 17.05.2019

Ensuring the eligibility 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.

**FOR MAHESH GUPTA AND COMPANY
COMPANY SECRETARIES**

**MAHESH KUMAR GUPTA
PROPRIETOR**

FCS NO.: 2870

C P NO.: 1999

UDIN: 002870B000388651

Place : Delhi

Date : 27.06.2020



ANNEXURE - D MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD LOOKING STATEMENT

Forward-looking statement reflects the current expectations regarding future results of operations. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This report should be read in conjunction with the financial statements included herein and the notes thereto.

ECONOMIC OVERVIEW

Global

The Global Food Processing Solutions Market was valued at USD 58 billion in the year 2019. The food processing industry is characterized by intense competition, with the most reliable firms performing well by focusing on competency in performance accomplishment in terms of efficient processing and distribution. The rapid growth of population in the developing countries like China and India are responsible for ready-to-eat food options that fit the urban life style, which is augmenting the global food processing solutions market value (Source: www.businesswire.com). However, the global growth weakened considerably in 2019 due to trade wars and weakening growth in China that negatively impacted growth. In many parts of the world, the manufacturing sectors were either in recession or close to recession territory. Year 2019 was dominated by U.S.-China trade tensions, fears of a hard Brexit and a global slowdown.

The global food processing industry is witnessing changes in consumption patterns with increasing importance of nutritional efficacy and the convenience of consumption. The food processing market is expected to reach an estimated \$4.1 trillion by 2024 with a CAGR of 4.3% from 2019 to 2024 (Source: www.prnewswire.com). The main driving force behind the global food industry is technological innovation, which concentrates on satisfying consumer demand for more tastes and easy-to-prepare foods. The food processing industry is characterized by intense competition, with the most reliable firms performing well by focusing on efficiency in terms of fast processing and distribution. The global economic recession had less effect on the food processing industry than other industries due to rising demand for pre-packaged food. The industry is becoming increasingly automated, and is therefore seeing labor costs decline. The advantages of food processing include greater food consistency, longer shelf life, removal of toxins, reduction of foodborne diseases and cheaper food.

The growth is projected globally at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previous forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since 1990s. (Source : www.imf.org).

Asia-Pacific leads the food processing industry in terms of market share. Market growth in countries in Eastern Europe

and Asia-Pacific continues as developing countries enjoy a more favorable economic climate, with larger disposable incomes and improved living standards. Demand for food that is light on preparation time continues to grow in developed countries.

Indian

The Indian economy was slowing down with a real GDP growth rate of 4.7% in 3rd Quarter of the Financial Year 2019-20 (Source: www.indiatoday.com) and accordingly the Reserve Bank of India had pegged the GDP growth for 2019-20 at 5 per cent as projected by the National Statistical Office (NSO) in its first and second advance estimates released in January 2020 and February 2020 respectively. However, according to the IMF, the Indian economy grew by 4.2% in 2019, against 6.1% in 2018, forcing policymakers and markets to rethink India's economic outlook. Slower domestic consumption dragged on growth and tighter credit conditions led to weaker private investment, which have translated into fewer jobs (Source: www.nordeatrade.com). Three of the four growth engines - private consumption, private investment, and exports - have slowed down significantly. The significant fall in consumption - which is the biggest contributor of growth - points to fragile consumer sentiment and purchasing ability. The slowing down of business activities across the world in January-March quarter impacted the Indian economy. India has endured below-par growth for seven quarters consequently – the worst streak in the post-liberalisation era. The UN slashed India's projected growth rate to 1.2 per cent in 2020 and forecast that the global economy will contract sharply by 3.2 per cent as the COVID-19 pandemic paralyses the world, sharply restricting economic activities, increasing uncertainties and unleashing a recession unseen since the Great Depression of the 1930s (Source: www.indiatoday.com).

The food processing industry is of enormous significance as it provides vital linkages and synergies that it promotes between Agriculture and Industry, the two pillars of the economy. Food processing has become an integral part of the food supply chain in the global economy and India has also seen growth in this sector in the last few years. The Indian food industry, poised for massive growth, continues to increase its contribution to world food trade. In India, the food sector has emerged as a high-growth and high-profit sector, given its immense potential for value addition, particularly in the Food Processing Industry.

INDUSTRY SCENARIO AND DEVELOPMENT

The food industry is the complex, global collective of diverse businesses that together supply much of the food energy consumed by the world population. The food processing industry is one of the largest industries in India. It is ranked fifth in terms of production, consumption, export and expected growth. Food Processing Industry is widely recognized as a 'sunrise industry' in India having huge potential for uplifting agricultural economy, creation of large scale processed food manufacturing and food chain facilities, and the resultant generation of employment and export earnings. India has enormous growth potential from its current status of being the world's second largest food producer to be the world's number one producer. Food processing covers a spectrum of products from sub-sector comprising agriculture,



horticulture, Plantation, animal husbandry and fisheries. Essentially, the food industry involves the commercial movement of food from field to fork. The agriculture sector has come a long way since independence. With advent of the green revolution, India has transformed itself from a country of shortages to a land of surpluses. With the rapid growth of the economy, a shift is also being seen in the consumption pattern, from cereals to more varied and nutritious diet of fruit and vegetables, milk, fish, meat and poultry products **(Source: <https://niti.gov.in>)**

India is the world's fourth agricultural power. Agriculture contributes 14.6% of the GDP and employs 43.2% of the active population, both percentages of which have diminished in recent years. The Indian food processing market was worth INR 27,452 Billion in 2019 and projected to reach INR 50,571 Billion by 2024. **(Source: www.imarcgroup.com/indian-food-processing-market).** The Indian Food Processing industry is viewed as growing industry, supported with new technologies being used in cultivation of various agro produce. Demand for processed and alternate food is growing due to rapid urbanization, increasing income levels and life style swing. India's diverse agro-climatic conditions, which favors the production of food ingredients in bulk and availability of promising infrastructure - these are the two primary factors that aided the Indian food processing industry to become the fifth largest in the world.

BUSINESS REVIEW

Evolving at around 8 percent, per year, India ranks second behind China in terms of global food production, and is also the world's largest producer of many commodities. However, changing economic and business conditions, rapid technological innovation, proliferation of the internet, and globalization are creating an increasingly competitive market environment that is driving companies to transform the manner in which they operate. Customers are increasingly demanding improved products and services with accelerated delivery and at lower prices. To adequately address these needs, companies are focusing on their core competencies to improve productivity, develop new products, conduct research and development, reduce business risk, and manage operations more effectively.

The Company is engaged in the business of manufacturing and export of processed food products primarily Vacuum Freeze Dried, Air-Dried, Frozen and IQF (Individually Quick Frozen) product range of mushrooms, herbs, spices, fruits & vegetables to consumers and institutional customers. The Company is a single point source of supply of Frozen / IQF (Individually Quick Frozen), Air Dried, Canned as well as Freeze Dried products to the customers as per their requirements. Retail packs of Culinary Herbs for Indian customers are also available in various varieties.

- The global mushroom cultivation market is projected to witness significant growth due to factors such as the multiple health benefits of mushrooms, increasing per capita mushroom consumption, cost-effective production and rising demand for vegan and natural food in the diet and increasing health-conscious population across the globe. However, the lack of technical knowledge for spawn production among growers in developing countries can hinder the growth of the market. The global mushroom market is currently growing at a steady pace. One of the primary factors responsible for the growing preference of mushrooms among consumers

is their antioxidant property, presence of minerals, Vitamin C, fiber, potassium and other micronutrients. Rapidly expanding the foodservice industry is boosting the demand for mushroom across hotels, restaurants and cafeterias. Increasing adoption of mushrooms as a substitute for meat, coupled with increasing number of vegan populations, is anticipated to further drive the growth of the market during the foreseeable years. Growing demand for processed mushroom especially across western countries is generating export opportunities for major mushroom producing Asian countries. The mushroom cultivation market is estimated to account for a value of USD 16.7 billion in 2020 **(Source: www.businesswire.com)**

Global mushroom market value is expected to exceed USD 50 billion in the next seven years due to growing mushroom demand in the recent past **(Source: www.grandviewresearch.com).** The Mushroom industry has a bright future due to acceptability especially across U.S. and other developed economies, due to the growing demand for healthier food products in which no preservatives are added. The U.S. is one of the largest producers of fresh mushrooms. The demand for fresh mushroom is projected to witness a steep rise across developing economies of Asia Pacific and in European countries due to rising consumer inclination towards organic food. Rising consumption of processed food items, rising consumer awareness regarding the health benefits offered by mushrooms and improvement in packaging technologies are some of the key factors influencing the growth of the mushroom market at present.

India is the world's second-largest producer of fruits and vegetables. To reduce wastage of fresh fruits and vegetables, and to add value to them, processes like canning, dehydration, pickling, provisional preservation and bottling have been introduced. However, percentage of processing of fruits and vegetables is currently less than 3% as compared to countries like China (23%), the United States (65%) and Philippines (78%). In FY 2019, 8.31 Mn tons of fruits and vegetables were processed in India, which is expected to reach 16.39 Mn tons by 2024, expanding at a CAGR of 14.84% during the FY 2020-FY 2024 period. **(Source: <https://www.businesswire.com/>).**

The Indian fruit and vegetable processing industry experiences a conducive growth environment, owing to the abundant supply of raw materials and favorable government policies. Rising consumer affordability and rapid urbanization resulted in lifestyle changes, following which the preference for processed fruits and vegetables increased substantially.

- The key drivers leading to the growth of the spice and herb extract markets are the increased availability of international cuisines in the major economies, shifting consumer focus towards natural products, increasing demand for convenience foods and rising preference for botanical flavors among consumers. The companies are focusing on natural herb and spice extracts as they are becoming popular in every segment of the food and beverage industry and offer plenty of scope for new and attractive taste creations. Globally, the spice and herb extracts market is expected to register a CAGR of 7.1% from 2018 to 2023. This market was estimated to be valued at USD 6.91 billion in 2019 **(Source: www.businesswire.com).**



Innovation, Quality, Trust and Commitment will continue to be the driver of growth for your Company to ensure that products are consistently produced and controlled according to quality standards. The Company's prime concern is to meet highest quality levels and achieve customer satisfaction by providing natural fruits, herbs, vegetables, mushrooms and other products, fully grown and processed in best natural ways. The Company is always ready to cater to its discerning customers demanding high value food products and to give heart and soul to their culinary creations. "State-of-the-art" technology, GMP & Quality systems makes Flex Foods Limited, a leading company in the category.

PRODUCT-WISE PERFORMANCE

Sale of Finished Goods

Description	Current Year		Previous Year	
	Quantity (in MTS)	Value (Rupees in Lacs)	Quantity (in MTS)	Value (Rupees In Lacs)
Processed Foods	1786	6882.04	1,856	7414.74
Other	911	953.38	742	743.96
Total	2697	7835.42	2598	8,158.70

OPPORTUNITIES AND THREATS

Opportunities

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. India's vast agricultural resources alone create huge opportunities in this industry.

Factors driving growth of Food Processing Market in India:

- Diverse agro-climatic conditions of the Country*

India is a country of great geographical diversity. The variations in its terrain, temperature, rainfall and soils closely influence the cropping patterns and other agricultural activities. India's diverse-agro climatic condition is suitable for food processing industries. Currently a very small percentage of these are processed into value added products, leaves opportunity to explore in the sector.
- Changing demographics – Rise in disposable incomes*

India's food processing sector is poised for growth in response to changing demographics, evolving preferences for branded items, a modernizing retail sector, growing consumer acceptance of processed foods, and government advocacy to develop food manufacturing. Income growth has increased consumer appetites and discretionary spending within India. Increasing literacy and rising per capita income resulting in rapid growth and changes in demand patterns.
- Increasing Urbanization - Lifestyle and Aspirations / Increasing spending on Food products*

Demand for processed / convenience food is constantly increasing. However, there have also been increases in urbanization and the number of working women, which has pushed consumers to look for products offering more convenience, specifically when it comes to products within the food and beverage sector. This will lead to trading up from unpackaged to packaged products as well as unbranded to branded products This is creating great

opportunities for exploring the large hidden markets. An average Indian spends about 40 per cent of household expenditure on food items.

- Growth of Organized Retail and Private Label Penetration*

The food retail in India is largely unorganized and the size of organized retail is limited in comparison with unorganized retail. At the same time, organized food retail has seen a significant growth in the past few years with large scale investments made by Indian corporate houses. Food Retail is one of the largest sectors in the global economy. The market have lots of expectations like quality at competitive price with high conscious of variety of taste and preferences and hygiene. It made the producers and marketers to combine the effect and advantages to cater the difference taste and preferences of markets.
- Liberalized Policies*

India is the seventh largest country, with extensive administrative structure and independent judiciary, a sound financial & infrastructural network. Liberalized policies with specific incentives for high priority food processing sector provide very favourable environment for investments and exports in the sector.
- Availability of cheaper workforce*

Indian, being one of the biggest emerging markets, with more than 1.32 billion population and 250 million strong middle class sets a large consumer base within the country. Cheaper workforce availability can be effectively utilized to setup large low cost production bases for domestic and export markets.

Threats

The food processing industry accounts for one third of the total food market in India. According to a report by Agricultural and Processed Food Products Exports Development Authority (APEDA) food processing industry accounts for 32% of India's food market. The industry is very dynamic and very fragmented at the same time. Unorganized sector is still a very large part of the market. However, growing awareness for hygiene and growing health consciousness and also rapidly expanding organized retail sector help the Food Processing companies in the organized sector to grow. However, it does face uncertainties to its growth.

Factors hindering growth of Food Processing Market in India:

- Low availability of raw materials*

Certain crops are seasonal, thus cause delay in the process. Certain crops like oilseeds are mainly grown by small and medium farmers. These farmers need to have capital for fertilizers, equipment etc., to increase the quality of their produce. However this is difficult as they can't afford to do so. Certain crops are increasingly dependent on monsoons which are sometimes delayed resulting in poor or no yield.
- Lack of Storage Infrastructure*

Many small scale food processing industries are suffering from shortage of food storage infrastructure that help in storage of raw materials. This results in increased food wastage and loss. The scarcity of space in these infrastructures account for large wastage of the agricultural produce.
- Lack of adequate connectivity*

Certain rural areas are not well connected. Thus the goods produced in these areas take a long time to reach the food processing units. Therefore increase in the connectivity by



roads, railways, rivers, airways and shipping is of essence to increase the profit of the farmers and others who are involved in the process. The perishables must be sent to its destination in an efficient manner.

- *Old processes*
The foods are usually inspected manually. This needs to be replaced with automated inspection in order to reduce human error and time wastage. Technologies must be improved to stay in track with the increasing competition in the global market.
- *Ignorance and human error*
Many food items are wasted in daily basis due to carelessness of those who handle them while shifting, packaging, storing, transporting etc. This needs to be reduced through efficient and stringent measures.
- *Competitive Market Environment*
The Indian Food Processing market is highly competitive in nature. The Company faces stiff competition both from the international as well as domestic players in the field. The competition is increasing with the addition of new capacities. Increased competition leads to reduced price, decreased sales, lower profit margins thus adversely affecting the business and financial conditions of the Company; however Company's plan is to mitigate these by focusing on better efficiency, improvement of productivity, introduction of innovative products and proximity to customers etc.

FUTURE OUTLOOK

Emerging trends have a direct impact on the dynamics of the industry. Economic growth, urbanization, increasing labour force participation of women and associated changes in lifestyles have contributed to the rise of the food processing industry. Food processing sector is indispensable for the overall development of an economy as it provides a vital linkage and synergy between the agriculture and industry. It helps to diversify and commercialize farming; enhance income of farmers; create markets for export of agro foods as well as generate greater employment opportunities.

India has gained substantially in the World Banks Ease of Doing Business rankings by moving up from the 142nd position in 2014 to the 63rd position in 2019. This is despite the fact that in 2019, private consumption, private investments and exports slowed down. Rural wages, tightening of lending conditions and rising unemployment contributed to low demand for goods and services. Exports also remained volatile as a result of global uncertainties around trade and investments and geopolitical issues. Credit to micro, small and medium enterprises was affected. Uncertainty on employment impacted consumer, investor and corporate confidence.

Food processing or Agro-processing is a techno-economical process carried out for conservation and handling of agricultural produce to make it usable as food, feed, fibre, fuel or industrial raw material. Food and Agro-processing industry refers to the subset of manufacturing that processes raw materials and immediate products derived from the agricultural sector. Food-processing industry thus means transforming products originating from agriculture, forestry & fisheries and has large potential for growth and socio economic impact across the world. It not only leads to income generation but also helps in reduction of wastage, value addition and foreign exchange earnings and enhancing manufacturing competitiveness.

The Food Processing industry experiences a conducive growth environment in terms of availability of raw materials.

Further, increase in the per capita income and rise in the living standards of people if supported by proper infrastructure, hygienic, cold chains, distribution / transportation can propel the growth of the food processing market in India.

RISKS & CONCERNS

Risks are inherent to any business. Being part of the agro-based industry, the Company's business is exposed to certain risks beyond its control, such as unpredictable and diverse weather patterns across its areas of operation, irrigation facilities, change in crop patterns etc. Thus, the Company proactively identifies risks and implements mitigation measures to ensure a sustainable business performance.

Risk is an integral part of any business, Risk Analysis and Management is a key management practice tool to ensure that the least number of surprises occur while the business is underway. While we can never predict the future with certainty, we can apply a simple and streamlined risk management process to predict the uncertainties and minimize the occurrence or impact of these uncertainties in any business module. This improves the chance of successful project completion and reduces the consequences of those risks. The company closely monitors such potential risks and opportunities that arise from Political, Economic & Regulatory environment, Exchange Rate Fluctuations, Environment and Competition.

INTERNAL CONTROL SYSTEM, THEIR ADEQUACY AND OPERATIVE EFFECTIVENESS

The Company has a strong internal control system comprising various levels of authorization, supervision, checks and balances and procedures through documented policy guidelines and manuals. The internal audit team regularly monitors the efficacy of internal controls and compliances with Standard Operating Procedures and Manuals with an objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are made. The Company has also laid down an adequate system for legal compliances. It has created appropriate structures with proper delegations of duties and responsibilities of employees at each level on enterprise basis which ensures the proper adherence and compliance of such systems.

The management exercise its control over business processes through operational systems, procedure manuals and financial limits of authority manual. These processes are reviewed and updated on regular basis to improve their efficacy and meet the business needs. The internal audit team develops a risk based annual audit programme which is aligned to the previous year's observations, suggestions from the operating managers and statutory auditors. The internal audit programme is approved by the Audit Committee. The internal audit reports are discussed by the Audit Committee of the Board of Directors. The directions are implemented by the respective departments.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company has a team of experienced and qualified personnel to support its plant and other allied operations. The project team also comprises of professionals having technical expertise and experience which is critical for successful and timely implementation of the operations. The recruitment of well qualified personnel and retention of experienced workforce is critical for maintaining the talent pool in the Company. The Company continuously works towards ensuring that appropriate recruitment and retention plans are in place to avoid any gaps in talent pool.



Employees are also empowered to take full ownership and accountability of their responsibilities besides human resource development. Cordial industrial relations in factory have also helped Company to build a strong team of employees at various levels having good experience and skills. As on 31st March 2020, the total number of permanent employee in the Company was 448.

ENVIRONMENT, OCCUPATIONAL HEALTH & SAFETY (EHS)

The Company's Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations across by optimising natural resource usage and providing a safe and healthy workplace. Systemic efforts are continuously made towards natural resource conservation by improving resource-use efficiencies and enhancing the positive environmental footprint following a life-cycle based approach.

The Company is committed to provide a safe and healthy workplace to all its employees. The Company continuously strives to improve on safety performance by incorporating best-in-class engineering standards in the design and project execution phase itself for all investments in the built environment, besides optimising costs. Environment, Health & Safety audits before commissioning and during the operation of units continue to be carried out to verify compliance with standards.

ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE

The accompanying financial statements have been prepared in accordance with the requirements of the Companies Act, 2013.

A) FINANCIAL CONDITION

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2020	March 31, 2019	Growth %
Land	1385.01	1203.00	15.13
Buildings	2313.41	2284.15	1.28
Plant & Equipments	10815.43	10787.18	0.26
Electrical Fittings & Installations	408.56	396.86	2.94
Office Equipments	98.66	95.88	2.90
ERP Software	32.49	32.49	-
Furniture & Fixtures	21.28	21.10	0.85
Vehicles	99.71	106.80	(6.64)
Total	15174.55	14927.46	
Less: Acc. Depreciation	7160.99	6638.23	
Add: CWIP	63.54	76.04	
Net Fixed Assets	8077.10	8365.27	

B) RESULTS OF OPERATIONS

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

(Rs.in lacs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Amount	%	Amount	%
INCOME				
Revenue from operations	8149.60	97.75	8536.63	98.11
Other income	187.60	2.25	164.41	1.89
Total Revenue	8337.20	100.00	8701.04	100.00
EXPENDITURE				
Raw Material Consumed	1594.70	19.13	1291.45	14.84
Purchase of Stock in Trade	62.25	0.75	22.91	0.26
(Increase)/Decrease in stock	(347.88)	(4.17)	(200.55)	(2.30)
Change in Inventory of Biological Assets	(8.31)	(0.10)	(7.39)	(0.08)
Gain in Change in fair value of Biological Assets	(3.39)	(0.04)	(1.74)	(0.02)
Manufacturing Exp.	2295.58	27.53	2256.89	25.94
Payment & Benefit to Emp.	1863.09	22.35	1769.97	20.34
Administrative, Selling & Other Expenses	1520.14	18.23	1614.82	18.56
Operating Expenses	6976.18	83.68	6746.36	77.54
EBDIT	1361.02	16.32	1954.68	22.46

C) SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	FY 2019-20	FY 2018-19	Change	Reason for change
Debt Equity Ratio	0.18%	0.30%	-39%	Due to decrease in borrowed funds as term-loan, unsecured loan and working capital were repaid during FY 2019-20
Operating Profit Margin	16.3%	22.5%	-28%	Due to Foreign Exchange fluctuation, decrease in export sale an increase in low margin domestic shares
Net Profit Margin	8.1%	12.7%	-36%	Due to decrease in operative profits.
Return/Net worth	7.2%	12.8%	-43%	Due to decrease in net profit



ANNEXURE 'E' TO DIRECTORS' REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Processed Foods	10799	88
2	Fresh Mushrooms	01136	12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individuals / Hindu Undivided Family	52620	--	52620	0.42	52620	--	52620	0.42	--
b) Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	7377115	--	7377115	59.26	7377115	--	7377115	59.26	--
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(1)	7429735	--	7429735	59.68	7429735	--	7429735	59.68	--



Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	7429735	--	7429735	59.68	7429735	--	7429735	59.68	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	100	0	100-	0	100	0	100	0	0
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (B)(1)	100	0	100	0	100	0	100	0	0
2. Non-Institutions									
a) Bodies Corporate									
i. Indian	534923	900	535823	4.30	511265	900	512165	4.11	-0.19
ii. Overseas									
b) Individuals-									
i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	2639549	519351	3158900	25.37	2530903	456861	2987761	23.99	-1.38
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	1156647	--	1156647	9.29	1353417	--	1353417	10.87	1.77
c) Any Other (specify)	161165	--	161165	1.29	163884	--	163884	1.32	0.03
- NRIs									
- Clearing Members (in Transit Position)	7630	--	7630	0.06	2935	--	2935	0.07	0.01
Sub - Total (B)(2)	4499914	520251	5020165	40.32	4562404	457761	5020165	40.32	--
Total Public Shareholding (B) = (B)(1)+(B)(2)	4500014	520251	5020265	40.32	4562504	4577611	5020265	40.32	--
C. Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A)+(B)+(C)	11929749	520251	12450000	100	11992239	609551	12450000	100	--



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	UFLEX Limited	5870000	47.15	--	5870000	47.15	--	--
2	Anshika Investments Pvt. Ltd.	1252630	10.06	--	1252630	10.06	--	--
3	Anshika Consultants Pvt Ltd	150000	1.20	--	150000	1.20	--	--
4	Rashmi Chaturvedi	45010	0.36	--	45010	0.36	--	--
5	Flex International Pvt. Limited	11300	0.09	--	11300	0.09	--	--
6	A R Leasing Pvt Ltd.	4000	0.03	--	4000	0.03	--	--
7	Ashok Kumar Chaturvedi	7610	0.06	--	7610	0.06	--	--
8	A.L. Consultants Private Limited	78685	0.63	--	78685	0.63	--	--
9	Magic Consultants Private Limited	10500	0.08	--	10500	0.08	--	--
	Total	7429735	59.68	--	7429735	59.68	--	--

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

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

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

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	396415	3.18	439556	3.53
2	SANTOSH SITARAM GOENKA	250327	2.01	285258	2.29
3	SANGEETHA S	-	-	225240	1.81
4	SUNITA SANTOSH GOENKA	159712	1.28	168488	1.35
5	SUPRIYA PUNIT AGARWAL	119320	0.96	116132	0.93
6	DHEERAJ KUMAR LOHIA	-	-	72164	0.58
7	RAVINDRA SHANKAR WAGH	36000	0.29	36000	0.29
8	PRABINABEN VORA	30356	0.24	35356	0.28
9	AVINASH BAHETL	35000	0.28	25000	0.28
10	BHARAT J. PATEL	28450	0.23	28450	0.23



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Shri Ashok Chaturvedi					
1	At the beginning of the year	7610	0.06	7610	0.06
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	7610	0.06	7610	0.06
Shri P.N. Sharma					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Shri R.K. Mishra					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Smt. Indu Liberhan					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Shri A. Raghavendra Rao					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Shri Naval Duseja					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Shri Rajesh Dheer					
1	At the beginning of the year	1	0	1	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	1	0	1	0


V. INDEBTEDNESS

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

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	2136.43	550.00		
Interest due but not paid	-	-		
Interest accrued but not due	5.82	-		
Total	2142.25	550.00		
Change in Indebtedness during the financial year				
Addition	8199.48	200.00		
Reduction	8931.97	410.00		
Net Change	(732.49)	(210.00)		
Indebtedness at the end of the financial year				
Principal Amount	1509.76	340.00		
Interest due but not paid	-	-		
Interest accrued but not due	3.06	-		
Total (i + ii + iii)	1412.82	340.00		

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

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Shri A. Raghvendra Rao Whole-time Director	Total Amount
1.	Gross salary		
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79.11	79.11
	Value of perquisites u/s 17(2) Income-tax Act, 1961		
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.20	1.20
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- others, specify...		
5.	Others		
	-Ex-Gratia	0.17	
	Total (A)	80.48	80.48
	Ceiling as per the Act		

B. Remuneration to other directors:
1. Independent Directors

Amount (Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri P.N. Sharma	Shri R.K. Mishra	Smt. Indu Liberhan	
1.	Fee for attending board / committee meetings	3.75	3.50	1.50	8.75
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total B(1)	3.75	3.50	1.50	8.75



2. Other Non-Executive Director

Amount (Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors	
		Shri Ashok Chaturvedi	
1.	Fee for attending board / committee meetings	1.75	1.75
	Commission	--	--
	Others, please specify	--	--
	Total B(1)	1.75	1.75

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

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Naval Duseja [CFO]	Shri Rajesh Dheer Company Secretary	Total
1.	Gross salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28.57	16.31	44.88
	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.27	0.49	1.76
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	--		
3.	Sweat Equity	--		
4.	Commission			
	- as % of profit	--		
	- others, specify...	--		
5.	Others			
	-Ex-Gratia	0.17	0.17	0.34
	Total	30.01	16.97	46.98

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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



**ANNEXURE 'F' TO DIRECTORS' REPORT
PARTICULARS OF REMUNERATION**

Pursuant to Sec. 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under section 197(12) of the Act and the Rules made there-under, in respect of the Company as follows:-

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Non-Executive Director	Ratio to Median Remuneration
Shri Ashok Chaturvedi	0.67
Smt. Anupam Ahuja	-
Smt. Indu Liberhan	0.67
Shri R.K. Mishra	1.57
Shri P.N. Sharma	1.57
Executive Director	
Shri A. Raghvendra Rao	35.87

- (b) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Name of Person	% Increase in Remuneration
Non-Executive Director	
Shri Ashok Chaturvedi	100.00
Shri Anupam Ahuja	-
Smt. Indu Liberhan	N.A.
Shri R.K. Mishra	-6.67
Shri P.N. Sharma	-6.67
Executive Director	
Shri A. Raghvendra Rao (Whole Time Director)*	8.10
Key Managerial Personnel (KMP)	
Shri Naval Kishore Duseja (CFO)	5.89
Shri Rajesh Dheer (Company Secretary)	2.65

* Smt. Indu Liberhan was appointed as Directors during the financial year 2019-20, therefore, it is not possible to ascertain % increase in remuneration.

- (c) **The percentage increase in the median remuneration of employees in the financial year:** 17.61
(d) **The number of permanent employees on the rolls of company**

As on 31.03.2020 employees are 448. However, the data taken for calculation of median remuneration of the employee is 450.

- (e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Average increase in salary of employees in 2019-20 was 9.10%. The Percentage increase in the managerial remuneration for the year was 8.10%

- (f) **Affirmation that the remuneration is as per the remuneration policy of the company.**

The company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance base variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.

For and on behalf of the Board

Place Noida
Date 27.06.2020

Ashok Chaturvedi
Chairman
DIN 00023452



ANNEXURE 'G' TO DIRECTORS' REPORT

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A) Energy Conservation Measures Taken

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

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

Company has been again certified at grade AA, for Global Standard for Food safety (formerly BRC).

Company has been again certified Halal certification for supplying its products, permissible & lawful as per traditional Islamic laws.

B) TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

The company prioritized and carried out R&D work in process and product development of Freeze-dried Chives, Mango, Ginger, Pumpkin, Potato and Air-Dried Pumpkin, Beet Root.

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

Freeze-dried Chives, Mango, Ginger, Pumpkin, Potato and Air-Dried Pumpkin, Beet Root, has been taken into budget for the F.Y 2020-21.

iii) Future Plan of Action

- a) Steps are continuously being taken for innovation and renovation of products including new product development Freeze-dried Chives, Mango, Ginger, pumpkin, potato and Air-Dried Pumpkin, Beet Root.
- b) New Air Handling Unit (AHU) (1 no as a trial) has been commissioned successfully and is obtaining better yield of fresh mushroom at mushroom farm in a growing room, the same will be replicated in other rooms for further increasing production F.Y 2020-21
- c) Training programme has been initiated for farmers for growing of herbs for Good Agricultural Practices (GAP) to grow herbs as per US and EU norms.
- d) Backward integration for growing of herbs with increased area of cultivation for sustained and quality supply of fresh herbs, further resulting significant energy saving.

C) FOREIGN EXCHANGE EARNING AND OUTGO

- a. **Activities related to Exports:** Initiatives were taken to increase exports, development of new export markets for products and services. The company is at present exporting its products to North America and Europe. The company is continuously exploring possibilities of exporting new and enhanced quantities of existing product mix to existing and new prospective markets.
- b. During the year company has exported manufactured goods calculated on FOB basis amounting Rs.4810.51 lacs. The expenditure incurred in Foreign Exchange(including value of imports) during the year amounted to Rs. 98.81 lacs

For & On behalf of the Board

Place : NOIDA
Dated : 27th June, 2020

Ashok Chaturvedi
Chairman
(DIN 00023452)
Whole-time Director



**ANNEXURE H
SECRETARIAL COMPLIANCE REPORT OF FLEX FOODS LIMITED FOR THE YEAR
ENDED 31ST MARCH, 2020**

I, **Mahesh Kumar Gupta** have examined:

- a) all the documents and records made available to us and explanation provided by **Flex Foods Limited** (the “**Listed entity**”),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this clarification, for the year ended **31st March, 2020** (“**Review Period**”) in respect of compliance with the provisions of:
 - i. the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) and the Regulations, circulars, guidelines issued thereunder; and
 - ii. the Securities Contracts (Regulations) Act, 1956 (“**SCRA**”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“**SEBI**”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable as the Company did not issue any securities during the year under review**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back any of its securities during the year under review**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;-**Not applicable as the Company has not granted any Options to its employees during the year under review**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;-**Not applicable as the Company has not issued any debt securities during the year under review**
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;-**Not applicable as the Company has not issued any Non-Convertible and Redeemable Preference Shares during the year under review**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

And circulars/ guidelines issued thereunder;

And based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ Circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder is so far as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
None				

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 st March 2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
None				

- e) The Listed Entity has suitably modified the terms of appointment of its present statutory auditors to give effect to para 6(A) and 6(B) of SEBI Circular dated October 18, 2019 bearing no. CIR/CFD/CMD1/114/2019.

For Mahesh Gupta & Company
Company Secretaries

Date : 27.06.2020

Place : Delhi

Mahesh Kumar Gupta
Proprietor
FCS 2870::
CP 1999

UDIN: F002870B000388695



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
FLEX FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **FLEX FOODS LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2020, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No	Key Audit Matters	Auditor response
1.	<p><i>Evaluation of uncertain tax positions</i></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 32 to the Financial Statements</p>	<p><i>Principal Audit Procedures</i></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management.</p> <p>We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.</p>
2.	<p><i>Assessment of the Impact of Corona Virus Disease (COVID-19) on the financial statement.</i></p> <p>On account prevalent financial, economic and health crisis caused due to global pandemic-COVID-19, the Company has not been materially impacted by the corona virus as of now. Since, Company's business falls within the category of manufacturing of essential commodities, therefore company has not seen any material impacts on its business activities for the financial year under report.</p> <p>Refer Note No. 1 (II) B of the Financial Statement.</p>	<p><i>Principal Audit Procedures</i></p> <p>As part of the audit we have carried out following procedures:-</p> <ol style="list-style-type: none"> 1. We have reviewed the turnover and the profitability of the company as at end of the current financial statements and upto the date of signing of financial statements. 2. Obtained an understanding of the process and testing of the operating effectiveness of the internal controls over the impairment. 3. We have also evaluated the recoverability of the trade receivables. 4. We evaluated disclosures related to management assessment on impact of COVID-19 for the continuity of operations.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 financial statements, including the disclosures, and whether the 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, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant Books of Account.
- d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) There is no matter or transaction that in our opinion may have any adverse effect on the functioning of the Company;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- h) With respect to the other matters to be included in the auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its director during the year is in accordance with the provisions of section 197 of the Act; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, 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 sub-section (11) of Section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013**

**MEGHA JAIN
PARTNER
MEMBERSHIP NO. 415389
UdinNo.20415389AAAABP1260**

**PLACE:- NOIDA
DATED: - 27.06.2020**



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” FOR THE YEAR ENDED 31ST MARCH 2020

Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Flex Foods Limited of even date.

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

Report on the Internal Financial Controls

We have audited the Internal Financial Controls over financial reporting of “FLEX FOODS LIMITED” (“the Company”) as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013

MEGHA JAIN
PARTNER

MEMBERSHIP NO. 415389
UdinNo.20415389AAAABP1260

PLACE:- NOIDA
DATED:- 27.06.2020

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of “FLEX FOODS LIMITED” (“the Company”) for the year Ended on 31st March 2020, we report that:

i. In respect of Fixed Assets of the Company:

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

ii. In respect of Inventories of the Company:

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

- iii. The company has granted interest bearing unsecured loans to the company covered in the register maintained under section 189 of the Companies Act, 2013 during the year.
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c) The amount of Rs.100 lacs is outstanding as on 31.03.2020. However, the amount is not overdue.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The company has not accepted any deposits. Therefore, the provision of clause (v) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- vi. The Provisions of maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the products dealt / manufactured by the company are not applicable to the company. Therefore, the provisions of clause (vi) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Customs duty, Cess and any other material statutory dues as applicable with the appropriate authorities.

And according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employees' state insurance, income tax, duty of customs, Cess, Goods and Service Tax and other applicable statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no pending dues in respect of Sales Tax, Service tax, Value added tax, Goods and Service Tax and Cess which has not been deposited on account of any dispute except dues of Customs and central excise which have not been deposited as at March 31, 2020 on account of dispute are given below:

Disputed Customs and Central Excise Dues: Aggregate Duty of Rs679.46 Lakhs, pending before (a)CESTAT Delhi(Rs. 658.46 Lakhs), and (b)Asst. commissioner, CGST division, Rishikesh (Rs 21 Lakhs).

- viii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to the bank as on the Balance Sheet date considering the impact of option exercised by the company as provided by Reserve Bank of India, Please refer to Note No. 13 (c) of financial statements.



- ix. According to the information and explanations given to us and the records of the Company examined by us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), or term loans during the year.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year under audit, nor we have been informed of any such case by the Management.
- xi. According to the information and explanations given to us and the records of the Company examined by us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Therefore, the provisions of clause (xv) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR MJMJ & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 027706N/C400013**

**MEGHA JAIN
PARTNER
MEMBERSHIP NO. 415389
UdinNo.20415389AAAABP1260**

**PLACE:- NOIDA
DATED: - 27.06.2020**



BALANCE SHEET AS AT 31ST MARCH, 2020

		(Rs. in Lacs)	
Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I ASSETS			
1 Non-Current Assets			
a) Property, Plant and Equipment	2(A)	8,013.45	8,288.75
b) Capital work-in-progress		63.54	76.04
c) Intangible assets	2(B)	0.11	0.48
d) Financial assets			
Loans & Security Deposits	3(A)	151.00	146.62
e) Other Non-Current Assets	5(A)	307.33	297.81
Total Non-Current Assets		8,535.43	8,809.70
2 Current Assets			
a) Inventories	6	2,391.69	2,063.58
b) Biological Asset	7	61.61	53.30
c) Financial assets			
i) Trade Receivables	8	1,056.12	1,678.61
ii) Cash and Cash Equivalents	9	509.32	360.02
iii) Bank Balances other than (ii) above	10	104.06	109.20
iv) Loans & Security Deposits	3(B)	165.50	65.58
v) Other financial assets	4	20.11	14.14
d) Other Current Assets	5(B)	1,043.06	925.89
Total Current Assets		5,351.47	5,270.32
TOTAL ASSETS		13,886.90	14,080.02
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11(A)	1,245.00	1,245.00
b) Other equity	11(B)	8,222.44	7,720.60
Total Equity		9,467.44	8,965.60
Liabilities			
1 Non-current liabilities			
a) Deferred Government Grants	12	178.19	194.62
b) Financial liabilities			
Borrowings	13(A)	316.40	831.31
c) Provisions	14(A)	126.32	114.38
d) Deferred Tax Liabilities(Net)	15	609.01	692.81
Total Non-current liabilities		1,229.92	1,833.12
2 Current Liabilities			
a) Financial liabilities			
i) Borrowings	13(B)	1,185.86	1,525.12
ii) Trade Payables:	16		
Total Outstanding dues of micro enterprises and small enterprises		61.50	59.16
Total Outstanding dues of creditors other than micro enterprises and small enterprises		811.47	575.98
iii) Other financial Liabilities	17	388.88	497.54
b) Other current liabilities	19	312.35	243.60
c) Provisions	14(B)	429.48	378.99
d) Current tax liabilities(Net)	18	-	0.91
Total Current liabilities		3,189.54	3,281.30
TOTAL EQUITY AND LIABILITIES		13,886.90	14,080.02

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN -00023452M.M. Varshney
Whole-time Director
DIN -08349956For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013Rajesh Dheer
Company SecretaryNaval Duseja
Chief Financial OfficerMegha Jain
Partner
Membership No. 415389Place : NOIDA
Dated : 27th June, 2020



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
Income			
I Revenue from Operations	20	8,149.60	8,536.63
II Other Income	21	187.60	164.41
III Total Income		8,337.20	8,701.04
IV Expenses			
Cost of Materials Consumed	22	1,594.70	1,291.45
Purchases of Stock in Trade		62.25	22.91
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	23(A)	(347.88)	(200.55)
Changes in inventory of Biological Asset	23(B)	(8.31)	(7.39)
Gain from Change in Fair Value of Biological Assets	7	(3.39)	(1.74)
Employee benefits expenses	24	1,863.09	1,769.97
Finance Cost	25	248.92	330.92
Depreciation and Amortization Expenses	2(A) & (B)	541.91	524.67
Manufacturing Expenses	26	2,295.58	2,256.89
Administration and Selling Expenses	27	1,520.14	1,614.82
Total Expenses		7,767.01	7,601.95
V Profit before tax (III-IV)		570.19	1,099.09
VI Tax expense:			
(1) Current tax		48.32	127.53
(2) Deferred Tax Liability		(83.80)	(130.78)
(Add): Excess Provision of Income Tax for earlier year		(73.28)	(0.97)
Total Tax Expenses (VI)		(108.76)	(4.22)
VII Profit for the Period (V-VI)		678.95	1,103.31
VIII Other Comprehensive Income			
<i>Item that will not be reclassified to Profit or Loss</i>			
Remeasurement of the net Defined benefit liability/ Assets		(27.02)	(33.01)
Less: Income Tax on Other Comprehensive Income		-	-
Total Comprehensive Income for the period (VII+VIII)		651.93	1,070.30
IX Earnings per equity share:			
(1) Basic	28	5.45	8.86
(2) Diluted	28	5.45	8.86
X NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40			

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date attached

Ashok Chaturvedi
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DIN -00023452

M.M. Varshney
Whole-time Director
DIN -08349956

For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : NOIDA
Dated : 27th June, 2020



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		570.19	1,099.09
Adjustments for :			
Depreciation and Amortization		541.91	524.67
Deferred Income on Capital Subsidy		(16.43)	(16.43)
Exchange Rate Fluctuations (Net)		(146.85)	(143.39)
Interest expenses		248.92	330.92
Provision for doubtful debts		9.09	3.97
Sundry Debit Balances Written Off		9.23	27.24
Sundry Credit Balances Written Back		(6.58)	(0.15)
Loss/(Profit) on Sale of Fixed Assets (Net)		(0.98)	3.88
Interest Income		(30.17)	(16.79)
Operating Profit before Working Capital Changes		<u>1,178.33</u>	<u>1,813.01</u>
Adjustments for :			
(Increase)/Decrease in Inventories		(328.11)	(253.39)
(Increase)/Decrease in Inventories of Biological Asset		(8.31)	(7.39)
(Increase)/Decrease in Trade Receivables, Current Financial Assets & Other Current Assets		387.69	653.79
(Increase)/Decrease in Non Current Financial Assets & Other Non Current Assets		(13.90)	(216.86)
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities & Current Provisions		264.09	(347.66)
Increase in Non Current Provisions(Net)		<u>11.95</u>	<u>15.50</u>
		<u>1,491.74</u>	<u>1,657.00</u>
Cash Generated From Operating activities			
Income Tax paid		24.96	(126.56)
Exchange Rate Fluctuations (Net)		146.85	143.39
Net Cash Generated From Operating Activities		<u>1,663.55</u>	<u>1,673.83</u>
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment & Capital Work-In -Progress		(256.01)	(774.63)
Proceeds from Sale of Property ,Plant and Equipment		3.24	16.59
Interest Received		30.17	16.79
Net cash used in Investing Activities		<u>(222.60)</u>	<u>(741.25)</u>
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds /(Repayment) of non Current Borrowing (Net)		(514.91)	(579.79)
Proceeds from Current Borrowing (Net)		(421.76)	128.25
Dividend Paid, including Dividend Tax		(150.09)	-
Interest & Finance charges		(210.03)	(325.10)
Net cash used in Financing Activities		<u>(1,296.79)</u>	<u>(776.64)</u>
Net increase in Cash & Cash Equivalents	(I+II+III)	<u>144.16</u>	<u>155.94</u>
Cash & Cash Equivalents at beginning of the year	9 & 10	<u>469.22</u>	<u>313.28</u>
Cash & Cash Equivalents at end of the year #	9 & 10	<u>613.38</u>	<u>469.22</u>

Note:

Includes Rs.104.06 lacs (Previous Year Rs.109.20 lacs) in respect of amount lying in unclaimed dividend account, margin money for bank guarantee.

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN -00023452

M.M. Varshney
Whole-time Director
DIN -08349956

For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : NOIDA
Dated : 27th June, 2020


STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Equity Share Capital	Other equity			Total Equity & Other Equity	
		Reserve & surplus		Other Comprehensive Income		
		Retained Earnings	General Reserve			
Balance as at April 1,2018	1,245.00	5,678.82	1,007.84	(36.36)	6,650.30	7,895.30
Changes in equity during the year						
Remeasurement of the net defined benefit liability/assets, (net of tax)	-	-	-	(33.01)	(33.01)	(33.01)
Profit for the Period	-	1,103.31	-	-	1,103.31	1,103.31
Balance as at March 31,2019	1,245.00	6,782.13	1,007.84	(69.37)	7,720.60	8,965.60

Balance as at April 1,2019	1,245.00	6,782.13	1,007.84	(69.37)	7,720.60	8,965.60
Changes in equity during the year						
Dividend Paid	-	(124.50)	-	-	(124.50)	(124.50)
Dividend Tax Paid	-	(25.59)	-	-	(25.59)	(25.59)
Remeasurement of the net defined benefit liability/assets, (net of tax)	-	-	-	(27.02)	(27.02)	(27.02)
Profit for the Period	-	678.95	-	-	678.95	678.95
Balance as at March 31,2020	1,245.00	7,310.99	1,007.84	(96.39)	8,222.44	9,467.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For and on behalf of the Board of Directors

 Ashok Chaturvedi
 Chairman
 DIN -00023452

 M.M. Varshney
 Whole-time Director
 DIN -08349956

 This is the Balance Sheet referred to in
 our report of even date attached

 For MJMJ & Associates LLP
 Chartered Accountants
 Firm Registration No 027706N/C400013

 Rajesh Dheer
 Company Secretary

 Naval Duseja
 Chief Financial Officer

 Megha Jain
 Partner
 Membership No. 415389

 Place : NOIDA
 Dated : 27th June, 2020



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1 COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

I COMPANY OVERVIEW

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

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

II SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

- Certain financial assets and liabilities measured at fair value (refer relevant accounting policies for more details).
- Biological Assets which are valued at fair value less cost to sale at each reporting period.

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

B. USE OF ESTIMATES AND JUDGEMENTS

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

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

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

Impact of Covid-19 Pandemic

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization on February 11, 2020. In response, Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the disease and businesses worldwide have restricted access to public facing institutions, those deemed non-essential. These closures have led to significant, adverse changes in macroeconomic conditions – constraints on supply chain, sourcing of inputs and workforce availability. However the Company has not been materially impacted by the coronavirus as of now. Since Company's business falls within the category of manufacturing of essential commodities, therefore company has not seen any material impacts on its business activities for the financial year under report. However the extent to which the coronavirus will have additional impacts on the Company's business activities will depend on future developments, which are highly uncertain and cannot be predicted.

C. CLASSIFICATION OF EXPENDITURE / INCOME

Except Otherwise Indicated:-

- (i) All expenditure and income are accounted for under the natural heads of account.



- (ii) All expenditure and income are accounted for on accrual basis except when ultimate realisation of income is uncertain.

D. REVENUES

- (i) Revenues from sales of goods are recognized when the significant risk and rewards of the ownership of the goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon shipment.
- (ii) Sales returns / rate differences are adjusted from the sales of the year in which the returns take place / rate differences accepted.
- (iii) Sales are adjusted for Rebate & Discount allowed
- (iv) Interest income is recognized on time apportionment basis. Effective interest method is used to compute the interest income on long terms loans and advances.
- (v) Further, revenue is recognized with Gross Amount of consideration received excluding Goods and Service Tax(GST).

E. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:

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

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

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

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

F. INTANGIBLE ASSETS

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

G. INVESTMENT PROPERTIES

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

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

H. INVENTORIES

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

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

I. BIOLOGICAL ASSETS

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms of Ind AS 41. The gain or loss arising on initial recognition of such biological assets at fair value less costs to sell and from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

J. AGRICULTURAL PRODUCE

Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell shall be included in Statement of Profit and Loss for the period in which it arises.

K. FINANCIAL INSTRUMENTS

Initial Recognition:

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

Subsequent Recognition:

Non-derivative financial instruments

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

L. TRADE RECEIVABLES



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

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

M. LOANS AND ADVANCES

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

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

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

N. FINANCIAL LIABILITIES

- (i) Financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction cost.
- (ii) Subsequent to initial measurement, financial liabilities are measured at amortised cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.
- (iii) Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months after the balance sheet date or beyond.
- (iv) Financial liabilities are derecognized when the company is discharge from its obligation, they expire, are cancelled or replaced by a new liability with substantial modified terms.

O. EARNING PER SHARE

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

P. INCOME TAXES

(i) CURRENT TAX

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

Current tax is expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date.

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

(ii) DEFERRED TAX ASSETS / LIABILITIES

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

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

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

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

(iii) CURRENT AND DEFERRED TAX FOR THE YEAR



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

Q. EMPLOYEES BENEFITS

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

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

R. IMPAIRMENT

Financial assets

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

Intangible assets, property, plant and equipment

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

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

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

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

S LEASES

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for land and Office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To



assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the Company. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

T. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

U. FOREIGN CURRENCY TRANSACTIONS

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



Plant and Equipment .

V. DEPRECIATION

- (i) Normal depreciation on all property, plant & equipment except Land & Intangible Assets are provided from the date of put to use for commercial production on Straight Line Method at the useful lives prescribed in Schedule-II to The Companies Act, 2013 and after providing for the residual value (maximum to the extent of 5%) of the Fixed Assets as determined by the management.
- (ii) Depreciation/Amortization on addition /deletions to Fixed Assets is provided on *pro-rata* basis from/to the date of addition/deletions.
- (iii) Depreciation/Amortization on additions/deletions to the fixed assets due to exchange rate fluctuation is provided on *pro-rata* basis since inception.
- (iv) The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

W. GOVERNMENT GRANTS

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

X. PURCHASES

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

Y. CLAIMS BY/AGAINST THE COMPANY

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

Z. BORROWING COST

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

AA APPLICATION OF NEW AND REVISED INDIAN ACCOUNTING STANDARDS (IND AS)

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Comparative as at 31st March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policy on leases included as part of annual report for the Year ended 31st March 2019.

However, as all the lease contracts are for the period upto 12 months so, the Company has applied the exemption of not to recognize ROU asset and lease liabilities for leases with less than 12 months of lease term on the date of initial application. Accordingly, it does not have any impact on the financial statements of the company.

During the year, the company has adopted all other Indian Accounting Standards (Ind AS) that are notified by the Ministry of Corporate Affairs and are relevant to its operations and effective for the financial year beginning on or after 1st April 2019 to the extent it is applicable on the company.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2020.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
Note No-2(A) Property, Plant and Equipment

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE			
		As At 01-04-2019	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2020	As At 01-04-2019	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2020	As At 31-03-2020	
1	Freehold Land	1,203.00	182.01	-	1,385.01	-	-	-	-	1,385.01	1,203.00
2	Building										
	-Factory	2,224.46	31.39	2.13	2,253.72	959.67	76.99	2.13	1,034.53	1,219.19	1,264.79
	-Administration	59.69	-	-	59.69	35.47	1.97	-	37.44	22.25	24.22
3	Plant & Equipment	10,787.18	40.15	11.90	10,815.43	5,216.73	418.84	11.31	5,624.26	5,191.17	5,570.45
4	Furnitures & Fixtures	21.10	0.18	-	21.28	12.64	1.47	-	14.11	7.17	8.46
5	Vehicles	106.80	-	7.09	99.71	80.42	7.24	5.43	82.23	17.48	26.38
6	Office Equipments	95.88	3.07	0.29	98.66	66.59	9.92	0.28	76.23	22.43	29.29
7	Electrical Installation	396.86	11.70	-	408.56	234.70	25.11	-	259.81	148.75	162.16
	SUB TOTAL(A)	14,894.97	268.50	21.41	15,142.06	6,606.22	541.54	19.15	7,128.61	8,013.45	8,288.75
	PREVIOUS YEAR	14,214.25	718.35	37.63	14,894.97	6,099.20	524.18	17.16	6,606.22	8,288.75	8,115.05
	Capital Work In Progress									63.54	76.04
	SUB TOTAL(B)									63.54	76.04

Note No-2(B) Intangible assets

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE			
		As At 01-04-2019	Additions/ Adjustment During the Year	Deductions/ Adjustment During the Year	As At 31-03-2020	As At 01-04-2019	Provided During the Year	Deduction/ Adjustment During the Year	Upto 31-03-2020	As At 31-03-2020	
	Software	32.49	-	-	32.49	32.01	0.37	-	32.38	0.11	0.48
	TOTAL	32.49	-	-	32.49	32.01	0.37	-	32.38	0.11	0.48
	PREVIOUS YEAR	32.49	-	-	32.49	31.52	0.49	-	32.01	0.48	0.97



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 LOANS & SECURITY DEPOSITS			(Rs. In Lacs)	
Particulars	As At 31.03.2020	As At 31.03.2019		
A Non-Current (Unsecured, Considered Good)				
a) Security Deposits	148.25	142.72		
b) Loans/Advances to Employees	2.75	3.90		
Total (A)	151.00	146.62		
B Current (Unsecured, Considered Good)				
a) Security Deposits	53.50	53.50		
b) Loans/Advances to Employees	12.00	12.08		
c) Loan to Company#	100.00	-		
Total (B)	165.50	65.58		
Total (A+B)	316.50	212.20		
# Disclosure pursuant to Section 186(4) of the Companies Act,2013.				
Name of the Company	Amount of Loan Given (Rs. In lacs)	Particulars	Purpose of the Loan	
UFLEX Ltd.	100.00	The loan was repayable on or before 21st October, 2020 including interest @ 12 % per annum.	General Corporate Purposes	
4 OTHER FINANCIAL ASSETS				
Current				
a) Interest Recoverable				
i) On Fixed Deposits with Banks	7.40		6.97	
ii) Others	12.71	20.11	7.17	14.14
Total		20.11		14.14
5 OTHER ASSETS				
A Non-Current				
a) Capital Advances	241.35		236.12	
b) Income Tax Refund (Net)	65.98		61.69	
Total (A)	307.33		297.81	
B Current				
a) Advances Recoverable in Cash or In kind or for Value to be Received	532.43		542.95	
b) Balances with GST Authorities	390.05		355.97	
c) Balances with Excise Authorities	27.76		26.97	
d) Income Tax Assets (Net)	92.82		-	
Total (B)	1,043.06		925.89	
Total (A+B)	1,350.39		1,223.70	
6 INVENTORIES				
a) Raw Material	59.54		80.79	
b) Work-in-progress	471.92		577.93	
c) Finished Goods	1,705.72		1,262.84	
d) Stock in Trade	11.01		-	
e) Stores & Spares	75.99		73.35	
f) Packing Material	67.51		68.67	
Total	2,391.69		2,063.58	


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

7 BIOLOGICAL ASSETS		(Rs. In Lacs)		
Particulars	As At 31.03.2020	As At 31.03.2019		
Current				
Mushroom Under cultivation	61.61	53.30		
	<u>61.61</u>	<u>53.30</u>		
Reconciliation of changes in carrying amount of Biological Assets				
Opening balance	53.30	45.91		
Add: Gain arising from change in fair value	3.39	1.74		
Add: Increase due to physical changes / transfer from immature	2,456.39	2,154.23		
Less: Decrease due to harvest	(2,451.47)	(2,148.58)		
Closing Balance	<u>61.61</u>	<u>53.30</u>		
8 TRADE RECEIVABLES				
Current				
Unsecured				
Considered Good	1,056.12	1,678.61		
Considered Doubtful	17.48	8.39		
	<u>1,073.60</u>	<u>1,687.00</u>		
Less: Allowances for bad and doubtful trade receivables	17.48	8.39		
Total	<u>1,056.12</u>	<u>1,678.61</u>		
Movements in allowance for bad and doubtful Trade receivable:				
Opening Balance	8.39	4.43		
(+) Provision made during the year	9.09	3.96		
(-) Amount utilised from provision	-	-		
Closing Balance	<u>17.48</u>	<u>8.39</u>		
9 CASH & CASH EQUIVALENTS				
Cash and Cash Equivalents				
i) Balances with Banks (in Current accounts)	277.28	140.57		
ii) Demand deposits	224.27	211.47		
iii) Cash on Hand	7.77	7.98	360.02	
Total	<u>509.32</u>	<u>360.02</u>		
10 BANK BALANCES OTHER THAN ABOVE				
i) Earmarked Balances				
- Unclaimed Dividend Account	85.22	93.46		
ii) Margin Money*	18.84	15.74	109.20	
Total	<u>104.06</u>	<u>109.20</u>		
* Pledged against guarantee				
11(A) EQUITY SHARE CAPITAL		(Rs. In Lacs)		
(i) Share Capital	As At 31.03.2020		As At 31.03.2019	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs.10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Redeemable Preference Shares of Rs.100/- each	5,00,000	500.00	5,00,000	500.00
		<u>2,000.00</u>		<u>2,000.00</u>
Issued, Subscribed & Paid up				
Equity Shares of Rs.10 each	1,24,50,000	1,245.00	1,24,50,000	1,245.00
Total	<u>1,24,50,000</u>	<u>1,245.00</u>	<u>1,24,50,000</u>	<u>1,245.00</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(ii) Reconciliation of Number of Equity Shares (Rs. In Lacs)

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

(iii) Rights, preferences and restrictions attached to shares

Equity Shares

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

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

Particulars	As At 31.03.2020		As At 31.03.2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Uflex Ltd	58,70,000	47.15	58,70,000	47.15
Anshika Investments Pvt Ltd	12,52,630	10.06	12,52,630	10.06
Total	71,22,630	57.21	71,22,630	57.21

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

11(B) OTHER EQUITY

(Rs. In Lacs)

Particulars	Reserve & surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve		
Balance as at April 1,2018	5,678.82	1,007.84	(36.36)	6,650.30
Changes in equity during the year				
Transfer to general reserve	-	-	-	-
Dividend Paid	-	-	-	-
Dividend Tax Paid	-	-	-	-
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(33.01)	(33.01)
Profit for the Period	1,103.31	-	-	1,103.31
Balance as at March 31,2019	6,782.13	1,007.84	(69.37)	7,720.60
Balance as at April 1,2019	6,782.13	1,007.84	(69.37)	7,720.60
Changes in equity during the year				
Transfer to general reserve	(124.50)	-	-	(124.50)
Dividend Paid	(25.59)	-	-	(25.59)
Dividend Tax Paid	-	-	-	-
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(27.02)	(27.02)
Profit for the Period	678.95	-	-	678.95
Balance as at March 31,2020	7,310.99	1,007.84	(96.39)	8,222.44

General Reserve

General reserve was created in accordance with erst while Companies Act, 1956 and rules there under by transferring the surplus of profit and loss to the general reserve, as per the limits laid down thereunder on distribution of profits to shareholders as dividend. This is a part of free reserves and can be used for the purpose of distribution to shareholders


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
12 DEFERRED GOVERNMENT GRANTS (To the extent pending apportionment to Statement of Profit & Loss)

(Rs. In Lacs)

Particulars	As At 31.03.2020		As At 31.03.2019	
Capital Subsidy on				
a) Cold Storage	2.86		4.58	
b) Individually Quick Frozen and Air Dried Plant	38.58		42.96	
c) Cold Storage (New)	71.18		77.06	
d) Freeze Drying Cabinet	60.62		64.13	
e) Zig Zag Classifier	21.38	194.62	22.32	211.05
Less: Deferred Income Apportioned to Statement of Profit & Loss				
a) Cold Storage	1.72		1.72	
b) Individually Quick Frozen and Air Dried Plant	4.38		4.38	
c) Cold Storage (New)	5.88		5.88	
d) Freeze Drying Cabinet	3.51		3.51	
e) Zig Zag Classifier	0.94	16.43	0.94	16.43
Total		178.19		194.62

13 BORROWINGS
A Non Current
SECURED

Term Loan from Banks	363.90		611.31	
Less :-Current Maturities of Long-Term Debt	247.50	116.40	330.00	281.31

[Refer Note No.17(a)]
UNSECURED

Loan from Related parties		-		550.00
Loan from Others		200.00		-

Total Borrowings
316.40
831.31
B Current
SECURED
Working Capital Facilities

From -Canara Bank	1,045.86			1,386.26
From -Allahabad Bank	-			138.86
Total Borrowings	1,045.86			1,525.12

UNSECURED

Loan from Related parties		140.00		-
Total Borrowings		1,185.86		1,525.12

Notes:

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

(Rs. In Lacs)

Name of the Bank	Sanctioned Amount	O/S As At 31.03.2020	Current Portion	Long Term	Repayment Terms
Allahabad Bank	1,650.00	363.90	247.50	116.40	Repayable in 20 Quarterly installments of Rs.82.50 Lacs each starting from June 2016.
Previous Year	(1,650.00)	(611.31)	(330.00)	(281.31)	

Previous year figures have been given in brackets.

- a) The Loan is secured on first charge basis (a) by way of hypothecation of movable fixed assets of the company and (b) by mortgage of immovable properties of the Company; situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderwala), Dehradun (Uttarakhand). The loan is also collaterally secured (a) by way of second pari passu charge on stocks(including Biological assets) & book debts of company and (b) by personal guarantee of one of the Director of the company.
- b) Working capital facilities are secured on first Pari passu charge basis (a) by way of hypothecation of stock and book debts of the company; and collaterally secured on second pari passu charge basis; (a) by way of hypothecation of fixed assets; (b) by mortgage of immovable properties of the company situated at Lal Tappar Industrial Area and Chak Jogiwala (Chidderwala), Dehradun (Uttarakhand) and (c) by personal guarantee of one of the Director of the Company.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- c) **COVID 19 Regulatory Package:** The Reserve Bank of India considering the intensification of COVID-19 disruptions has announced certain relaxation on repayment of the installments including interest on term loans for a period of six months commencing from 1st March 2020 to 31st August 2020 and also the payment of interest on the working capital loan for the period from 1st March 2020 to 31st August 2020. The Company has availed the relaxations provided by the Reserve Bank of India on its term loan. Accordingly the repayment schedule of this loan will stand extended by 6 months and the outstanding interest shall be paid in September 2020.

14 PROVISIONS	(Rs. In Lacs)	
	As At 31.03.2020	As At 31.03.2019
Particulars		
A Non-Current		
Provision for Leave Encashment	126.32	114.38
Total	126.32	114.38
B Current		
Provisions for :		
i) Gratuity	416.01	365.77
ii) Leave Encashment	13.47	13.22
Total	429.48	378.99
Total (A+B)	555.80	493.37

15 INCOME TAXES	(Rs. In Lacs)	
	For The Year ended 31.03.2020	For The Year ended 31.03.2019
Income Tax Expense in the Statement of Profit and Loss comprise:		
Particulars		
Current Income Taxes	48.32	127.53
Deferred Taxes	(83.80)	(130.78)
Income Tax Expense #	(35.48)	(3.25)

#The lower tax rate of 22% option as provided by the Income Tax Act, 1961, has been adopted by the company, this has resulted into reversal of tax expenses by Rs.84 Lacs for the year ended 31st march, 2020.

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

Profit before Income Taxes	570.19	1,099.09
Enacted Tax Rates in India	25.17%	27.82%
Computed expected tax expense	143.51	305.77
Tax Reversals	(72.43)	(169.92)
Effect of Exempted Income	(107.56)	(141.30)
Effect of non-deductible expenses	1.00	2.20
Income Tax Expense	(35.48)	(3.25)

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

Particulars	As At 31.03.2020	As at 31.03.2019
	Deferred Tax Assets	
Others	201.69	205.75
Total Deferred Tax Assets	201.69	205.75
Deferred Tax Liabilities		
Excess of book WDV of Property, Plant and Equipment over tax WDV of property, plant and equipment	810.70	898.56
Total Deferred Tax Liabilities	810.70	898.56
Deferred Tax Liabilities (Net)	609.01	692.81
The gross movement in the deferred tax for the year ended March 31, 2020 and March 31, 2019 are as follows		
Net deferred tax liabilities at the beginning	692.81	823.59
Credits/(charge) relating to temporary differences	(83.80)	(130.78)
Net Deferred Tax Liabilities at the end	609.01	692.81



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

16 TRADE PAYABLES		(Rs. In Lacs)	
Particulars	As At 31.03.2020	As At 31.03.2019	
Total Outstanding dues of creditors other than micro enterprises and small enterprises- Suppliers other than related party	803.06	575.98	
Total Outstanding dues of micro enterprises and small enterprises	61.50	59.16	
Due to Related Parties	8.41	-	
Total	872.97	635.14	

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

1 Principal amount due and remaining unpaid	Nil	59.16
2 Interest due on (1) above and the unpaid interest	Nil	Nil
3 Interest paid on all delayed payment under the MSMED Act	Nil	Nil
4 Payment made beyond the appointed day during the year	Nil	Nil
5 Interest due and payable for the period of delay ther than (3) above	Nil	Nil
6 Interest accrued and remaining unpaid	Nil	Nil
7 Amount of further interest remaining due and payable in succeeding years	Nil	Nil

17 OTHER FINANCIAL LIABILITIES		(Rs. In Lacs)	
Particulars	As At 31.03.2020	As At 31.03.2019	
a) Current Maturities of Long-Term Debt (Refer Note No.13)	247.50	330.00	
b) Interest Accrued but not due on borrowings	38.89	5.82	
c) Unclaimed Dividend #	85.22	93.46	
d) Security Deposit from Customers	5.60	5.60	
e) Capital Creditors	11.67	62.66	
Total	388.88	497.54	

These do not include any amount due and payable to Investor Education and Protection Fund Account.

18 Current Tax Liabilities			
Provision for Current Tax (Net)	-	0.91	
	-	0.91	

19 OTHER LIABILITIES			
Current			
a) Advance Received from Customers	17.35	6.10	
b) Statutory Liabilities	231.18	203.82	
c) Other Liabilities	63.82	33.68	
Total	312.35	243.60	

20 REVENUE FROM OPERATIONS		(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019	
a) Sale of Products	7,835.42	8,158.70	
b) Other Operating Revenues			
i) Export Incentive	241.18	328.47	
ii) Deferred Income on Capital Grant (Government Grant)	16.43	16.43	
iii) Transport & Marketing Assistance (TMA)	33.40	3.37	
iv) Sale of Miscellaneous Items	23.17	29.66	
Total	8,149.60	8,536.63	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

21 OTHER INCOME		(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019	
a) Interest Income			
From Banks	15.80	8.46	
From Others	14.37	8.33	16.79
b) Exchange Rate Fluctuation (Net)	146.85		143.39
c) Miscellaneous Income	0.49		1.89
d) Sundry credit Balance Written Back	6.58		0.15
e) Profit on Sale of Fixed Assets	0.98		-
f) Interest on Income Tax Refund	2.53		2.19
Total	187.60		164.41
22 COST OF MATERIAL CONSUMED			
Opening Stock	80.80		50.09
Add: Purchases	1,573.44		1,322.15
	1,654.24		1,372.24
Less: Closing Stock	59.54		80.79
Raw Material consumed	1,594.70		1,291.45
23 A) (INCREASE)/DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE			
Closing Stock			
Finished Stock	1,705.72	1,262.84	
Work-In-Progress	471.92	577.93	
Stock In Trade	11.01	-	1,840.77
Opening Stock			
Finished Stock	1,262.84	857.92	
Work-In-Progress	577.93	782.30	1,640.22
Total	(347.88)		(200.55)
B) (INCREASE)/DECREASE IN BIOLOGICAL ASSET			
Closing Stock			
Biological Asset	61.61		53.30
Opening Stock			
Biological Asset	53.30		45.91
Total	(8.31)		(7.39)
24 EMPLOYEES BENEFIT EXPENSES			
a) Salaries, Wages, Benefits & Amenities	1,687.92		1,596.48
b) Contribution to Provident Fund	76.00		72.93
c) Gratuity (Refer Note No.29)	59.45		54.87
d) Employees Welfare Expenses	39.72		45.69
Total	1,863.09		1,769.97
25 FINANCE COST			
<u>Interest on:</u>			
i) Secured Loans	48.38		97.89
ii) Working Capital Facilities	39.93		17.13
iii) Shortfall in payment of Advance Tax	-		4.75
iv) Interest to Others	3.62		-
v) Interest to Unsecured Loans	40.37		52.62
vi) Discounting & Bank Charges	116.62		158.53
Total	248.92		330.92


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

26 MANUFACTURING EXPENSES		(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019	
Power & Fuel Consumed	1,341.59	1,356.98	
Repair & Maintenance - Machineries	164.81	228.50	
Stores, Spares, Tools, Jigs & Dies Consumed	162.61	143.03	
Labour Charges	256.51	205.79	
Sorting & Picking Charges	174.72	143.09	
Tractor Hire & Shifting Charges	149.86	145.76	
Lease Rent Short Term (Refer Note No.40)	2.40	2.40	
Others Manufacturing Expenses	43.08	31.34	
Total	<u>2,295.58</u>	<u>2,256.89</u>	
27 ADMINISTRATION & SELLING EXPENSES			
Power & Fuel	92.93	75.34	
Insurance Charges	63.07	67.70	
Postage & Telephone Expenses	23.30	23.34	
Vehicle Hire, Running & Maintenance Expenses	28.96	31.59	
Conveyance & Travelling Expenses	95.08	113.49	
Repair & Maintenance - Building	42.51	50.94	
Repair & Maintenance - Others	31.74	24.68	
Legal & Professional Charges	99.04	97.38	
General Expenses	137.32	131.35	
Lease Rent Short Term (Refer Note No.40)	11.04	21.88	
CSR Expenditure	0.50	2.91	
Charity & Donation	3.46	0.26	
Provision for Doubtful Debts	9.09	3.97	
Rates & Taxes	1.58	0.61	
Loss on Sale of Fixed Assets (Net)	-	3.88	
Sundry debit Balance written off	9.23	27.24	
GST Expenses	91.77	76.25	
Rebate & Discount	9.55	14.87	
Sample Testing Charges	31.71	37.15	
Commission on Sale	13.10	14.79	
Packing & Forwarding Charges	372.36	317.11	
Freight Outward	352.80	478.09	
Total	<u>1,520.14</u>	<u>1,614.82</u>	
28 EARNINGS PER SHARE (EPS)			
a) Profit for the year (Rs. In Lacs)	678.95	1,103.31	
b) Weighted Average number of Equity Shares for computation of Basic and Diluted Earning Per Share (In Numbers)	1,24,50,000	1,24,50,000	
c) Nominal value per share (Rs.)	10	10	
d) Basic & Diluted Earning Per Share (Rs.)	5.45	8.86	
29 GRATUITY & POST EMPLOYMENT BENEFIT			

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Rs. In Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
a) Reconciliation of opening and closing balances of obligation				
Obligation at beginning of the year	678.70	586.24	127.60	109.88
Current Service Cost	31.55	31.39	11.09	10.42
Past Service Cost	-	-	-	-
Interest Cost	51.78	44.20	9.74	8.29
Actuarial (gain) /loss	26.74	33.64	(2.81)	1.97
Less: Benefits paid	39.84	16.77	5.83	2.96
Obligation at the end of the year	748.93	678.70	139.79	127.60
b) Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year	312.93	274.84	-	-
Employer contribution	36.23	33.51	-	-
Less: Benefits Paid	39.84	16.77	-	-
Add: Expected return on plan assets	23.88	20.72	-	-
Add: Actuarial Gain /(Loss) on plan assets	(0.28)	0.63	-	-
Fair value of plan assets at the end of the year	332.92	312.93	-	-
c) Amount Recognized in Balance Sheet				
Present value of obligation	748.93	678.70	139.79	127.60
Less: Fair value of plan assets	332.92	312.93	-	-
Amount recognized in Balance Sheet	416.01	365.77	139.79	127.60
d) Gratuity & other Post Employment benefitcost for the period				
Current Service Cost	31.55	31.39	11.09	10.42
Past Service Cost	-	-	-	-
Interest Cost	51.78	44.20	9.74	8.29
Expected return on plan assets	(23.88)	(20.72)	-	-
Actuarial (gain) /loss	-	-	(2.81)	1.97
Net amount recognized in Statement of Profit & Loss	59.45	54.87	18.02	20.68
e) Gratuity & other Post Employment benefit cost for the period				
Remeasurement of the net defined benefit liability/assets				
Actuarial (gains)/losses	27.02	33.01	-	-
Net amount recognized in Statement of other comprehensive income	27.02	33.01		
f) Principal actuarial assumption at the Balance Sheet date:				
Interest Rate	6.63%	7.63%	6.63%	7.63%
Salary Escalation	5.00%	6.00%	5.00%	6.00%



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The expected benefits increases are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at 31st March 2020. The Company is expected to contribute Rs. 82.78 lacs to defined benefits plan obligation fund for the year ending 31st March 2021.

The significant accounting assumptions are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while other assumptions are constant.

If the discount rate increases/(decreases by 0.5%), the defined benefit plan obligations would decrease by Rs. 24.83 Lacs (increase by Rs.26.20 Lacs) as at 31st March 2020.

If the expected salary growth increases/(decreases by 0.5%), the defined benefit plan obligations would increase by Rs. 25.37 Lacs (decrease by Rs.23.13 Lacs) as at 31st March 2020.

The sensitivity analysis presented about may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

30 SEGMENT DISCLOSURE

Based on Business risk & synergies there is only one reportable segment hence segment reporting is not given, however geographical distribution of revenue is as under:-

Particulars	(Rs. In Lacs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Domestic Revenue #	3,316.70	2,483.31
Export Revenue:		
USA##	261.72	301.72
Europe##	4,495.13	5,657.65
Australia	30.22	-
Asia	29.40	77.52
Total	8,133.17	8,520.20

Includes sales of Miscellaneous Items amounting to Rs.23.17 Lacs (previous year Rs.29.66 Lacs) shown under - Note No. -20 (b)(iv)

Includes three major customers having revenue from them of more than 10% of the total revenue amounting to Rs. 4350.17 Lacs (previous year Rs.5515.01 Lacs)

31 PAYMENT TO AUDITORS

a) Statutory Audit	12.50	12.50
b) Tax Audit	4.00	4.00
c) Certification & other services	5.10	5.10
d) For Reimbursement of Expenses	0.85	0.85
Total	22.45	22.45

32 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(Rs. In Lacs)	
	As At 31.03.2020	As At 31.03.2019
A Contingent Liabilities		
Claims against the company not acknowledged as debt :-		
(i) Demand raised by Customs & Central Excise Department which are contested by the company (Including interest & Net of Demand Deposits).	679.46	749.84
ii) Guarantees Issued by the Bank(Net of Margin)	53.34	56.44



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Rs. In Lacs)	
	As At 31.03.2020	As At 31.03.2019
iii) Retrospective Payout for Payment of Bonus for the Financial Year 2014-15 has not been provided for in the Books of Accounts based on the matter being contested by third parties and/or stay granted by various High Courts of India in respect of this matter.	39.28	39.28
Total (A)	772.08	845.56
B Commitments		
Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for in the Books of Accounts.	958.61	893.67
Total (B)	958.61	893.67

33 RELATED PARTY TRANSACTION

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

(A) List of Related Parties

i) Enterprise for which Reporting Enterprise is an Associate:

Uflex Limited

ii) Chairman, Key Management Personnel and their Relatives:

- 1 Shri Ashok Chaturvedi
- 2 Shri A Raghavendra Rao, Whole-time Director(and his relatives) (Resigned w.e.f. 03.04.2020)
- 3 Shri Rajesh Dheer, Company Secretary (and his relatives)
- 4 Shri Naval Duseja, Chief Financial Officer (and his relatives)
- 5 Ashok Kumar Chaturvedi (HUF)
- 6 Smt. Rashmi Chaturvedi
- 7 Shri Anantshree Chaturvedi
- 8 Shri Apoorvshree Chaturvedi
- 9 Ms. Anshika Chaturvedi

iii) Promoters and Person acting in concert

1. Ultimate Flexipack Ltd. 2. AKC Retailers Pvt. Ltd 3. Anshika Investments Pvt. Ltd. 4 Anant Overseas Pvt. Ltd.
5. Apoorva Extrusion Pvt. Ltd. 6. Anshika Consultants Pvt. Ltd. 7. A.R.Leasing Pvt. Ltd. 8. A.R.Infrastructures & Projects Pvt. Ltd. 9. AC Infrastructures Pvt.Ltd. 10. Cinflex Infotech Pvt. Ltd. 11. Flex International Pvt. Ltd.
12. Ultimate Infratech Pvt. Ltd. 13. Modern Info Technology Pvt. Ltd 14. Magic Consultants Pvt. Ltd. 15 A.L. Consultants Pvt. Ltd

iv) Other Entities with whom transaction took place

- 1 Ganadhipati Infra Projects Pvt Ltd
- 2 Niksar Finvest Pvt Ltd

(B) Transactions with Related Parties

Nature of Transaction	(Rs. In Lacs)			
	Enterprise for which Reporting Enterprise is an Associate	Chairman, Key Management Personnel and their Relatives as referred to in A(ii)	Promoters and Person acting in concert as referred to in A(iii)	Enterprises as referred to in A(iv)
i) Purchase of Packing Material / Others	49.77	-	-	-
	(32.27)	-	-	-
ii) Purchase of fixed assets	8.41	-	-	-
	-	-	-	-
iii) Loan Given	100.00	-	-	-
	-	-	-	-
iv) Interest Received	5.47	-	-	-
	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lacs)				
Nature of Transaction	Enterprise for which Reporting Enterprise is an Associate	Chairman, Key Management Personnel and their Relatives as referred to in A(ii)	Promoters and Person acting in concert as referred to in A(iii)	Enterprises as referred to in A(iv)
v) Refund of Loan	-	-	200.00	210.00
	-	-	(100.00)	(150.00)
vi) Interest Paid	-	-	0.53	20.39
	-	-	(21.11)	(31.52)
vii) Leases Rent	10.62	-	-	-
	(10.62)	-	-	-
viii) Dividend Paid	58.70	0.53	15.07	-
	-	-	-	-
ix) Reimbursement of Expenses	-	0.90	-	-
	-	(0.90)	-	-
x) Remuneration	-	127.46	-	-
	-	(117.82)	-	-
xi) Sitting Fees	-	1.75	-	-
	-	(0.75)	-	-
xii) Sales of (MEIS) Licence including C Form Debit Note	56.75	-	-	-
	(52.80)	-	-	-
Balance Outstanding at the end of the year				
Credit	8.41	6.74	-	140.00
	-	-	(200.00)	(350.00)
Debit	104.93	-	-	-
	-	-	-	-
Outstanding Guarantee against Term Loans and working capital facilities		1,409.76		
		(2,136.44)		

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

(Rs. In Lacs)			
34 Information in respect of CSR Expenditure required to be spent by the Company			
Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019	
i) Gross Amount required to be spent by the Company	22.61	24.11	
ii) Amount spent during the year on :			
a) Construction / acquisition of any asset	-	-	
b) On purpose other than (i) above	0.50	2.90	
iii) Amount payable as at Year End	-	-	

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

36 Balances of some of the parties are subject to reconciliation & confirmations.

37 The Board of Directors of the company has recommended a final dividend of Rs 0.75 (Previous Year Rs.1) per share aggregating to Rs.93.38 Lacs (Previous Year Rs.150.09 Lacs) (including the dividend distribution tax of Rs. NIL Lacs (Previous Year Rs.25.59 Lacs) for the Financial Year ended 31st March 2020 subject to the approval of the shareholder in their ensuing Annual General Meeting.

38 The Previous year's figures have been regrouped and reclassified wherever necessary.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

39 Financial Instruments

Financial Instruments by category:

The carrying value and fair value of financial instruments by categories as of March, 31 2020 & as of March,31 2019 were as follows:

		(Rs in Lacs)				
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value	Total fair value
Assets						
Cash and cash equivalents	CY	613.38	-	-	613.38	613.38
(refer note no 9 & 10)	PY	469.22			469.22	469.22
Trade Receivables	CY	1056.12	-	-	1056.12	1056.12
(refer note no 8)	PY	1678.61			1678.61	1678.61
Loans & Security Deposits	CY	316.50	-	-	316.50	316.50
(refer note no 3A and 3B)	PY	212.20			212.20	212.20
Other financial assets	CY	20.11	-	-	20.11	20.11
(refer note no 4)	PY	14.14			14.14	14.14
Total	CY	2006.11	-	-	2006.11	2006.11
	PY	2374.17	-	-	2374.17	2374.17
Liabilities						
Trade payables	CY	872.97	-	-	872.97	872.97
(refer note no 16)	PY	635.14	-	-	635.14	635.14
Other financial liabilities	CY	388.88	-	-	388.88	388.88
(refer note no 17)	PY	497.54	-	-	497.54	497.54
Borrowings	CY	1502.26			1502.26	1502.26
(refer note no 13A and 13B)	PY	2356.43			2356.43	2356.43
Total	CY	2764.11	-	-	2764.11	2764.11
	PY	3,489.11	-	-	3,489.11	3,489.11

Financial Risk Management :

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

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

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

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

Credit Risk:

Credit Risk refers to the risks that arise on default by the counter party on its contractual obligation resulting into financial



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

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

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

Particulars	Current Year	Previous Year
Revenue from Top Customer	34%	40%
Revenue from Top Five Customers	65%	75%

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

Liquidity Risk

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

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

Contractual maturities of financial liabilities are given as under:

Particulars	As at 31st March 2020	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	1,749.76	1,433.36	316.40
Trade payables	872.97	872.97	-
Other Financial Liability	141.38	141.38	-
Other Liabilities	312.35	312.35	-
Current Tax Liability	-	-	-

Interest Rate Risk :

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

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

The borrowings of the company amounting to Rs. 1409.76 Lacs as on 31.03.2020 out of total Rs. 1749.75 lacs, is linked with the Base Rate of the Banks.

Based on the structure of debt as at year end, a one percentage point increase in the debt would cause an additional expense in the net financing cost of Rs. 14.10 Lacs.

Foreign Exchange Risk :

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

The company imported goods for insignificant amounts on trade account. Approximately 61% of revenue were earned in foreign currency due to nature of business being exports. In a way, Company is a net foreign exchange earner.

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

Based on one percentage point variations in the exchange rate, the profit for the year based on the foreign currency transaction entered during the period will be effected by 8.50%.

Commodity Price Risk :

Raw materials which company procures from the open market are agricultural products, production of which is directly effected by weather conditions and pricing is linked to the prevailing demand & supply conditions of the products. Company



mitigate this risk by bulk buying during season for off season use.

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

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

Risk Management Strategy Related to Biological Assets

Regulatory and Environmental Risks

The Company is subject to laws and regulations in the locations in which it operates. The company has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply and Demand Risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of its product i.e. Fresh Mushroom. Management performs regular industry trend analysis to project harvest volumes and pricing. Where possible, the company manages this risk by aligning its harvest volumes to market supply and demand.

Climate and other Risks

The company's biological asset is exposed to the risk of damage from climatic changes, diseases and other natural forces. The company has extensive processes in place aimed at monitoring and mitigating these risks, including growing under controlled conditions.

40 Disclosures for Leases as per Ind AS -116 on "Leases"

(Rs. In Lacs)

The following disclosures are made in respect of leases as required under Ind AS-116 on "Leases",

S. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
(i)	Depreciation Charge on Right to Use Assets		-	-
(ii)	Interest Expense on Lease Liabilities		-	-
(iii)	Short Term Leases	26 & 27	13.44	24.28
(iv)	Low value leases		-	-
(v)	variable Lease payments		-	-
(vi)	Total Cash outflow on Right on Use Assets		-	-
(vii)	Additions to Right to use Assets		-	-
(viii)	Carrying amount of Right to Use Assets		-	-

Note : Signatories to Notes 1 to 40

For and on behalf of the Board of Directors

Ashok Chaturvedi
Chairman
DIN -00023452

M.M. Varshney
Whole-time Director
DIN -08349956

This is the Balance Sheet referred to in our report of even date attached

For MJMJ & Associates LLP
Chartered Accountants
Firm Registration No 027706N/C400013

Rajesh Dheer
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : NOIDA
Dated : 27th June, 2020

Notice of 30th Annual General Meeting

Shareholders are advised to refer Point No. 8 of Notice of AGM with regard to Payment of Dividend and applicable Tax Deduction at Source (“TDS”) and Communication of Company dated 13th August, 2020 to Shareholders which is also available on the Company’s website www.flexfoodsltd.com (weblink:https://www.flexfoodsltd.com/pdf/shareholders_communication/FFL_Communication_TDS_FY19_20.pdf)



FLEX FOODS LIMITED



FLEX FOODS LIMITED

(CIN: L15133UR1990PLC023970)

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

Share Deptt. Office : 305, 3rd Floor, Bhanot Cornner, Pamposh Enclave, Greater Kailash-I, New Delhi-110 048

Phone : +91-11-26440917, 26440917 Fax : +91-11-26216922

Website: www.flexfoodsltd.com E-mail ID: secretarial@uflexltd.com CIN No. L15133UR1990PLC023970

NOTICE OF 30TH ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the members of Flex Foods Limited will be held on Friday, 25th day of September, 2020 at 11:30 AM through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"), to transact following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and the Auditors thereon;
2. To declare the dividend for the financial year 2019-2020 on the equity shares of the Company.
3. To appoint a Director in place of Shri Ashok Chaturvedi (DIN 00023452) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 152 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Madan Mohan Varshney (DIN 08349956), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th June, 2020 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT that pursuant of Section 196, 197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and such other approvals / sanctions as may be necessary, the company hereby approves the appointment of Shri Madan Mohan Varshney (DIN 08349956) as Whole-time Director of the Company for a period of three years w.e.f. 27th June, 2020 to 26th June, 2023 on the terms and conditions including as to remuneration, minimum remuneration in case of loss or inadequate profit in any financial year as set out in the explanatory statement annexed to the notice, which shall be deemed to form part thereof.

RESOLVED FURTHER THAT that the Board of Directors of the Company, including any duly constituted committee thereof, be and is hereby authorized to vary and / or revise the remuneration of the said Whole-time Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto."

6. To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT, pursuant to Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Indu Liberhan (DIN 03341420), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 16th August, 2019 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, be and is hereby appointed as an independent Director for a term of 3 years, i.e. upto 15th August 2022 and whose office shall not liable to retire by rotation."

7. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Rajeev Sharma (DIN 08789214), who was appointed as an Additional

Director of the Company by the Board of Directors with effect from 14th July, 2020, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board

Rajesh Dheer
Company Secretary
FCS No. 3060

Place: NOIDA
Date : 17.08.2020

Regd. Office:

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

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from **Friday, 18th September, 2020 to Friday, 25th September, 2020**, both days inclusive, for annual closing and determining the entitlement of the Members to the Dividend for Year 2019-20.
3. Central Depository Services Limited, (“CDSL”) will be providing facility for voting through remote e-Voting, for participation in the 30th AGM through VC/OAVM Facility and e-Voting during the 30th AGM.
4. CDSL e-Voting System – For Remote e-voting and e-voting during AGM
 - i. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 - ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 - iii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - iv. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 - v. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 - vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.flexfoodsltd.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 - vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **Tuesday, 22nd September, 2020 (9.00 AM)** and ends on **Thursday, 24th September, 2020 (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 Friday, 18th September, 2020** 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for **FLEX FOODS LIMITED** on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- i. 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**.



- ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. 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.
- v. 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 **3 days prior to meeting (September 22, 2020)** 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 **3 days prior to meeting (September 22, 2020)** 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.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM 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 AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the 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.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

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.

- i. 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.
- ii. 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.
- iii. 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; secretarial@uflexltd.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Shri Nitin Kunder (022- 23058738) or Shri Mehboob Lakhani (022-23058543) or Shri Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, 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.

5. Other Guidelines for Members

- a. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the **cut-off date of 18th September, 2020**.



- b. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- c. Shri Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The Scrutinizer shall after the conclusion of e-Voting at the 30th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 30th AGM, who shall then countersign and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.flexfoodsltd.com and on the website of CDSL at <https://www.evotingindia.com/> immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the Stock Exchange i.e. The BSE Limited ("BSE").

6. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 30th AGM and the Annual Report for the year 2019-20 including therein the Audited Financial Statements for year 2019-20, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 30th AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address secretarial@uflexld.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
7. The Board of Directors has recommended a Dividend of Rs.0.75 (7.5%) per Equity Share of Rs.10.00 each for the year ended 31st March, 2020 that is proposed to be paid on and from **25th September, 2020**, subject to the approval of the shareholders at the 30th Annual General Meeting.
8. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company. **Further, with respect to Deduction of Tax on Dividend, the communication in this regard is being sent to the shareholders separately in the permitted mode.**
9. The dividend/s, if any, approved by the Members will be paid as per the mandate registered with the Company or with their respective Depository Participants.
10. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address secretarial@uflexltd.com by 7th September, 2020.
 - a) signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received :
 - i) Name and Branch of Bank and Bank Account type;
 - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - iii) 11 digit IFSC Code;
 - b) self attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - c) self attested scanned copy of the PAN Card; and
 - d) self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

11. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.

12. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly transferred Rs. 11,90,254/- (Rupees Eleven Lac Ninety Thousand Two Hundred Fifty Four Only) being the unpaid and unclaimed dividend amount pertaining to Dividend, 2011-12 to the Investor Education and Protection Fund of the Central Government during the year 2019-20.

The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at www.flexfoodsltd.com. Members who have not encashed Dividend for the Year 31st March, 2013 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

13. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 43443 Equity Shares of Rs.10/- each on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred during the year 2019-20 to the IEPF Account, after following the prescribed procedure.
- Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2013 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
17. Electronic copy of all the documents referred to in the accompanying Notice of the 30th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.flexfoodsltd.com
18. During the 30th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be available for inspection in the Investor Section of the website of the Company at www.flexfoodsltd.com.
19. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 30th AGM, forms integral part of the Notice of the 30th AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
20. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 4 & 5

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has appointed Shri Madan Mohan Varshney (DIN 08349956) as an Additional Director in terms of Section 161 & other applicable provisions of the Companies Act, 2013 to hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member of the Company proposing the candidature of Shri Madan Mohan Varshney for the office of Director of the Company, liable to retire by rotation.

The company business activities have been grown in last couple of years and Food Processing Industry, more particularly in the International Market is highly demanding & challenging. The Company's products are well accepted in India as well as in foreign markets. However a lot is still to be achieved and therefore there is a need to have an eminent and experienced professional as the Whole-time Director of the Company who could manage day to day activities of the company.

Therefore, the Board of Directors of the Company (after considering the recommendation of the Nomination and Remuneration Committee) at its meeting held on 27th June, 2020 has, subject to the approval of Shareholders, appointed Shri Madan Mohan Varshney as Whole-time Director of the Company for a period of 3 years commencing from 27th June, 2020.

Shri Madan Mohan Varshney is a Post Graduate in Food Technology from the Govind Ballabh Pant University of Agriculture & Technology, Pantnagar, Uttarakhand with specialization in Process Food Engineering. He has also done "Enhancing Managerial Effectiveness" from Indian Institute of Management, Ahmedabad, Personnel Management and Cost Reduction from Small Scale Industries Services Institute, New Delhi.

Shri Madan Mohan Varshney is a strategic, hand-on Agri commodities management professional with proven record in entrepreneurship cross-functional leadership including sales, marketing (institutional and retails), operations, supply chain, international trade and profit centre responsibility with large global organisations in multi commodities. Ability to demonstrate great leadership skills and work with minimal supervision and in matrix environment, quickly adaptable to change and believing in personal growth by achieving organizational goals.

Further, Shri Madan Mohan Varshney has experience of about 35 years in different companies. He is associated with the Company for the last 12 years and quite familiar with the Company's activities. Presently he is working with the Company as Senior Vice President. Considering his vast and rich experience, the Board of Directors proposed the appointment of Shri Madan Mohan Varshney as Whole-time Director on the following terms and conditions:

TERMS AND CONDITIONS

Remuneration:

Total Salary including (all allowances & perquisites) upto Rs. 95,00,000/- (Rupees Ninety Five Lakh only) per annum with an annual increment of maximum up to 20% of gross salary as decided by Chairman of the Company and subject to the remuneration mentioned in Schedule V of the Companies Act, 2013).

Other terms

- (a) He will not be entitled to sitting fees for attending meetings of the Board or Committee(s) thereof.
- (b) He will be liable to retire by rotation.
- (c) The aforesaid appointment may be terminated by either side giving three months' notice in advance.

In the event of inadequacy of profit or absence of profit, the company shall pay Shri Madan Mohan Varshney the above remuneration as minimum remuneration but not exceeding the limit specified under Schedule V of the Companies Act, 2013 or such other limits as may be specified by the Central Government, from time to time as minimum remuneration.

Functions

The Whole-time Director shall discharge such functions as are delegated to him by the Board of Directors and/or Chairman.

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India is attached as Annexure to the Notice.

None of the directors, key managerial personnel or their relatives, except Madan Mohan Varshney, to whom these resolution(s) relates, is interested or concerned in the resolution.

The Board recommends the resolutions set forth in Item no. 4 as an Ordinary & 5 as a Special Resolution for the approval of the members.

Statement with reference to the Special Resolution of the Notice of 30th Annual General Meeting of Flex Foods Limited as required under Schedule V of the Companies Act 2013 given hereunder.

I. GENERAL INFORMATION

1. Nature of Business

The Company is engaged mainly in business of cultivation and processing of mushrooms, herbs, fruits and vegetables in freeze dried, air dried and Individual quick frozen forms. The company have been selling its product to European and US markets.

2. Date of Expected date commencement of commercial production

Existing company in operation since 1990

3. In case of new company, excepted date of commencement of activities as per project approved by Financial Institution appearing in the prospectus

Not Applicable

4. Financial Performance based on given indicators

	(Rs. in Lacs)		
Year ended 31 st March	2018	2019	2020
Revenue from operation	9122.57	8536.63	8149.60
Other income	245.59	164.41	187.60
Profit before Finance cost, Depreciation & Tax	1932.62	1954.68	1361.02
Finance Cost	363.42	330.92	248.92
Depreciation	500.16	524.67	541.91
Profit before Tax	1069.04	1099.09	570.19
Tax Expense	388.26	(4.22)	(108.76)
Profit for the Year	680.78	1103.31	678.95

**5. Export performance**

The company is earning valuable Foreign Exchange for the Country since inception. The figures of export for the three years are as under:

(Rs. in Lacs)		
2017-2018	2018-2019	2019-2020
6523.54	6024.16	4810..51

6. Foreign investment or collaborators, if any.

Nil

II. INFORMATION ABOUT SHRI MADAN MOHAN VARSHNEY

Name of Director	Shri Madan Mohan Varshney
Background details	Shri Madan Mohan Varshney is a Post Graduate in Food Technology from the Govind Ballabh Pant University of Agriculture & Technology, Pantnagar, Uttarakhand with specialization in Process Food Engineering. He has also done "Enhancing Managerial Effectiveness" from Indian Institute of Management, Ahemdabad, Personnel Management and Cost Reduction from Small Scale Industries Services Institute, New Delhi and has experience of about 35 years in different companies in India such as M/s. Cadburys India Ltd., M/s. VST Natural Products Ltd., M/s. Global Green Ltd., one of the Thapar Group companies, M/s. Eco Valley Farms & Foods Ltd. etc. He has rich experience mainly in Marketing, Sales, Production, New Product development/Business development and Food processing / technology. He is associated with the Company for last 12 years.
Past Remuneration	He was Senior Vice President of the Company. Salary including allowances of Rs.6,57,000/- P.M. Ex-gratia, LTA. & Medical as per Company's rule. Car as per Company policy.
Recognition of Awards	Nil
Job profile and his suitability	Shri Madan Mohan Varshney has been entrusted with power of the management of business and affairs of the company. He play a major role in providing through leadership and strategic input in the Company.
Remuneration proposed	As stated in Explanatory Statement of the notice Item No. 4 & 5.
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 w.r.t. the country of his origin)	The remuneration of Shri Madan Mohan Varshney is in sync with his peers and is commensurate with his qualification, experience, the size of the Company.
Pecuniary relation directly or indirectly with the Company or relationship with the Managerial Personnel, if any.	Shri Madan Mohan Varshney does not have any pecuniary relationship with the Company except remuneration drawn as Whole-time Director.

III. OTHER INFORMATION**1 Reason of loss or inadequate Profit**

Company is in food processing industry and could not achieved the expected revenue.

2 Step taken or proposed to be taken for improvement

The company has been taken all measures within its control to maximize efficiencies and to minimize cost for lowering the cost of production. In order to achieve revenue & growth the company continues to focus on the development and innovation of new products.

3 Expected increase in productivity and profit in measurable terms

Food processing industry fastest growing industry in the word-wide. The fundamental of the company are sound. It was well balanced businesses and has the potential of not being just profitable but achieving significant growth. The company expect that the productivity and profitability may improve and would be comparable with the industry average.

IV. DISCLOSURES

The applicable disclosures have been provided under the Corporate Governance section of the Directors' Report attached the Financial Statement.

Item 6

Appointment of Smt. Indu Liberhan (DIN 03341420) as an Independent Director of the Company

Smt. Indu Liberhan was appointed as an Additional Director by the Board with effect from 16th August, 2019 pursuant to Section 161 of the Companies Act, 2013. Smt. Indu Liberhan will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Smt. Indu Liberhan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Smt. Indu Liberhan (i) consent in writing to act as Director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Smt. Indu Liberhan retired from the post of Secretary (Defence Finance) and is a 1972 batch IDAS Officer. She has held various post in the Central Government.

The matter regarding appointment of Smt. Indu Liberhan as an Independent Director was placed before the Nomination and Remuneration Committee and it has recommended her appointment.

The resolution seeks the approval of members for the appointment of Smt. Indu Liberhan as an Independent Director of the Company for a term of three years up to 15th August, 2022 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Smt. Indu Liberhan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the Management.

None of the directors, key managerial personnel or their relatives, except Smt. Indu Liberhan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.6 for the approval of the members.

Item 7

Appointment of Shri Rajeev Sharma (DIN 08789214) as an Independent Director of the Company

Shri Rajeev Sharma was appointed as an Additional Director by the Board with effect from 14th July, 2020 pursuant to Section 161 of the Companies Act, 2013. Shri Rajeev Sharma will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Rajeev Sharma for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri Rajeev Sharma (i) consent in writing to act as Director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Shri Rajeev Sharma a B.E. (Chemical Engineering) from University of Roorkee bring with him a vast experience over four decades for working with multifarious Organization and MNCs with specialization in Paper and allied industries.

The matter regarding appointment of Shri Rajeev Sharma as Director was placed before the Nomination and Remuneration Committee and it has recommended his appointment.

The resolution seeks the approval of members for the appointment of Shri Rajeev Sharma as an Independent Director of the Company for a term of three years up to 13th July, 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Shri Rajeev Sharma, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

None of the directors, key managerial personnel or their relatives, except Shri Rajeev Sharma, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.7 for the approval of the members.

By Order of the Board

Place : NOIDA
Date : 17th August, 2020

Rajesh Dheer
Company Secretary
FCS No. 3060

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

FORTHCOMING ANNUAL GENERAL MEETING
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and SS-2 issued by ICSI

Name of Director	Smt. Indu Liberhan	Shri Ashok Chaturvedi	Shri Madan Mohan Varshney	Shri Rajeev Sharma
Date of Birth	28.05.1950	15.10.1956	31.12.1959	28.08.1956
Date of Appointment	16.08.2019	05.02.1990	27.06.2020	14.07.2020
Experience in specific Functional areas	Retired as Secretary Defence (Financial) and served in Government of India and also as Senior Finance Advisor, TRAI	Chief Promoter of UFLEX Group of Companies who had set up the business himself being the first generation entrepreneur and has in depth knowledge of business of the company.	He is Post Graduate having an experience of about 35 years in the field of Food Technology specialization in Process Food Engineering.	Shri Rajeev Sharma a B.E. (Chemical Engineering) bring with him a vast experience over four decades for working with multifarious Organization and MNCs with specialization in Paper and allied industries.
Qualification	M.A. (English) & M. Phil. (Public Administration)	B.Sc.	Master of Science	B.E. (Chemical Engineering).
Terms and Conditions of appointment or re-appointment	Smt. Indu Liberhan was appointed as Additional Director on 16.08.2019 and propose to be appointed as regular Independent Director of the Company not liable to retire by rotation	Shri Ashok Chaturvedi retires by rotation at the ensuing Annual General Meeting	Shri Madan Mohan Varshney is appointed as an Additional Director and Whole-time Director on 27.06.2020 and propose to be appointed as regular Director at the ensuing Annual General Meeting liable to retire by rotation	Shri Rajeev Sharma was appointed as Additional Director on 14.07.2020 and propose to be appointed as regular Director of the Company not liable to retire by rotation
Remuneration sought to be paid	Eligible for Sitting fee only for attending Board / Committee Meetings .	Eligible for Sitting fee only for attending Board / Committee Meetings	As mentioned in the Notice of ensuing Annual General Meeting	Eligible for Sitting fee only for attending Board / Committee Meetings
Remuneration last drawn	As above	As above	Rs. 657000/- per month	As above
Shareholding in the Company	Nil	7610 Equity Shares	1300 Equity Shares	Nil
Relationship with other Directors, Manager and other key managerial personnel	Not related to any other Directors and other key managerial personnel of the Company	Not related to any other Directors, and other key managerial personnel of the Company	Not related to any other Directors and other key managerial personnel of the Company	Not related to any other Directors, and other key managerial personnel of the Company
No. of Meeting of the Board attended	2	4	Nil	Nil
Directorship in other Public Limited Companies / excluding private companies which are subsidiary of public company	Uflex Limited	Uflex Limited	1. Maa Chamrada Devikrishak Utpadak Producer Company Limited 2. Sult Utpadak Producer Company Limited	Nil
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Audit Committee 1. Uflex Ltd.(Chairperson) 2. Flex Foods Ltd. (Chairperson) Stakeholders' Relationship Committee 1 Flex Foods Limited 2 Uflex Ltd. Nomination and Remuneration Committee 1 Flex Foods Limited 2 Uflex Limited Corporate Social Responsibility 1 Uflex Limited	Committee of Directors 1) Uflex Limited(Chairman) 2) Flex Foods Limited (Chairman)	Audit Committee 1) Flex Foods Limited Corporate Social Responsibility 1) Flex Foods Limited	Committee of Directors 1) Flex Foods Limited

DETAILS OF SHAREHOLDING/OTHER CONVERTIBLE INSTRUMENTS OF NON-EXECUTIVE DIRECTORS OF THE COMPANY AS ON 31.03.2020

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Sl. No.	Name of Director	No. of Equity Shares	Other convertible Instruments
01	Shri Ashok Chaturvedi	7610	Nil
02	Smt. Indu Liberhan	Nil	Nil
03	Shri Paresh Nath Sharma	Nil	Nil
04.	Shri Rajendra Kumar Mishra	Nil	Nil