



34th Annual Report 2023-2024





FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

34th ANNUAL REPORT 2023-2024

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman

RAHUL RAZDAN
Whole Time Director & CEO

RAJEEV SHARMA

INDU LIBERHAN

PRADEEP NARENDRA PODDAR
(w.e.f. 21.07.2023)

ARVIND MAHAJAN

RAJENDRA KUMAR MISHRA
(Upto 15.08.2023)

COMPANY SECRETARY

HIMANSHU LUTHRA

AUDITORS

Statutory Auditor

MJMJ & ASSOCIATES, LLP
B-22, Sector 14
NOIDA-201301

Internal Auditor

M/S KAAP & ASSOCIATES
89, Lower Ground Floor,
Gujrat Vihar,
Delhi 110092

Secretarial Auditor

MAHESH GUPTA & CO.
Wadhwa Complex, Chamber No. 110,
Ground Floor, D-288-289/10,
Laxmi Nagar, Delhi-110 092

BANKERS

CANARA BANK
INDIAN BANK
WOORI BANK

CORPORATE OFFICE

A-108, Sector 4, Noida
Uttar Pradesh
Phone Nos. : 0120-4012345
E-mail : secretarial@flexfoodsltd.com

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd
Beetal House, 3rd Floor
99, Madangiri, Beind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi - 100062
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)

Devaganapalli,
Krishnagiri, Tamil Nadu

Chidderwala, Dehradun,
(Uttarakhand)

TABLE OF CONTENTS

STATUTORY REPORTS

Directors' Report	1 - 4
Corporate Social Responsibility (CSR) Report	5 - 6
Secretarial Audit Report	9 - 10
Corporate Governance Report	12 - 26
Management Discussion & Analysis	27 - 33
Secretarial Compliance Report	34 - 36

FINANCIAL STATEMENTS

Independent Auditors' Report	37 - 44
Balance Sheet	45
Statement of Profit & Loss	46
Statement of Cash Flow	47
Statement of Changes in Equity	48
Notes on the Financial Statements	49 - 81

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting this 34th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2024.

FINANCIAL RESULTS:

The summarized financial results for the year ended 31st March, 2024 and for the previous year ended 31st March, 2023 are as follows:

[Rs. in Lacs]

	Year Ended 31.03.2024	Year Ended 31.03.2023
Revenue from Operations	12,128.15	11,732.60
Other Income	40.54	58.33
Total Revenue	12,168.69	11,790.93
Profit before Finance Cost, Depreciation & Tax	(177.75)	1,170.82
Finance Cost	1,722.93	1,606.33
Depreciation	1,623.11	964.22
Profit before Tax	(3,523.79)	(1399.73)
Less: Tax Expenses	(930.55)	(339.97)
Profit for the year	(2,593.24)	(1,059.76)

During the year under review, your Company achieved total revenue and net profit of Rs 12,168.69 Lakhs and Rs. (2593.24) Lakhs respectively, as against total revenue and Net Profit of Rs. 11,790.93 Lakhs and Rs (1059.76) Lakhs respectively during the previous financial year ended 31st March, 2023.

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

SHARE CAPITAL

The paid-up equity share capital outstanding as on 31st March, 2024 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, 2024 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

TRANSFER OF UNCLAIMED DIVIDEND TO AUTHORITY

An amount of Rs. 17,96,975/- (Rupees Seventeen Lakhs Ninety Six Thousand Nine Hundred Seventy Five) 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 34,004 (Thirty-Four Thousand and Four) 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

Yours Directors are pleased to recommend a dividend of Rs. 0.50 (Rupees Fifty Paise) per equity share of Rs.10/- each (5%) for the financial year ended 31st March, 2024 after considering business exigencies.

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 3rd August, 2024 to Tuesday, 27th August, 2024 (both days inclusive).

The Dividend, as recommended by the Board, if declared at the meeting, will be paid to those members or their mandates:

- Whose names appear as Beneficial owners as at the end of business hours on Friday, the 2nd August, 2024 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- Whose names appear as members in the Register of Members of the Company as on Friday the 2nd August, 2024.

CHANGE IN NATURE OF BUSINESS

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

DIRECTORS

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

Mr. Pradeep Narendra Poddar was appointed as an Additional Independent Director by the Board of Directors of the Company w.e.f. 21st July, 2023. Further, the appointment of Mr. Pradeep Narendra Poddar was regularized and approved by the shareholders at the 33rd Annual General Meeting held on 18th August, 2023.

Further, Mr. Rajendra Kumar Mishra, whose second term as an Independent Director expired on 15th August, 2023, has ceased to be the Director of the Company. The Board of Directors place on record their appreciation for the valuable contribution made during their tenure as Directors of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rahul Razdan, Whole-time Director (DIN: 09290572) of the Company retires by rotation and being eligible, offers himself for re-appointment.

The present term of engagement of Mr. Rahul Razdan, as Whole-time Director & CEO in terms of approval granted by the shareholders of the Company at the 31st Annual general meeting of the Company held on 24th September, 2021 comes to a close on 23rd August, 2024. The Nomination and Remuneration Committee in their meeting held dated 22nd May, 2024 have recommended his re-appointment as Whole-time Director & CEO of the Company for a period of 3 (three) years w.e.f. 24th August, 2024 and further the Board of Directors in

their meeting held on 27th May, 2024 have approved the same subject to the approval of the shareholders in the general meeting of the Company.

All the Independent Directors of your Company have given declarations inter-alia confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

INDIAN ACCOUNTING STANDARDS

The annexed financial statements for the Financial Year 2023-24 and corresponding figures for 2022-23 comply in all material aspects with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as modified from time to time.

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 financial year ended 31st March, 2024, 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 judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the Profit/Loss 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.

DISCLOSURE RELATED TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no subsidiaries, associates and joint ventures during the period under review. However, the Company is an Associate Company of Uflex Limited.

DEPOSITS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rule 8(5)(vi) of the Companies (Accounts) Rules, 2014 are reported.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans and investments during the financial year under review. Further, the Company has not executed any Corporate Guarantee during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The related party transactions entered during the financial year were on Arm's Length Basis and were in the 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.

Further, the policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.flexfoodsltd.com](http://www.flexfoodsltd.com/pdf/Related-Party-Policy.pdf) at the weblink <https://www.flexfoodsltd.com/pdf/Related-Party-Policy.pdf>.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises of Mr. Rahul Razdan, Chairman, Mrs. Indu Liberhan, Member and Mr. Pradeep Narendra Poddar, Member. The terms of reference of the Corporate Social Responsibility (CSR) Committee are provided in the Corporate Governance Report and are as per the provisions of the Companies Act, 2013 and the rules framed thereunder. 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/CSRPoly.pdf>.

During the year, Mr. Pradeep Narendra Poddar was appointed as the member of the Corporate Social Responsibility Committee w.e.f. 12th August, 2023 and Mr. Rajendra Kumar Mishra ceased to be the member of the Corporate Social Responsibility Committee w.e.f. 12th August, 2023.

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 - A" and forms part of this report.

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 - B".

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.

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 said 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>.

No instances of unethical behavior actual or suspected fraud or violation of the Companies Code of Conduct or ethics policy and to report instances of leak of unpublished price sensitive information

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.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s MJMJ & Associates LLP, Chartered Accountants (Firm Registration No. 027706N/N400013), were re-appointed as Statutory

Auditors of the Company for a further term of 5 (Five) years to hold office from the conclusion of 32nd Annual General Meeting of the Company held on 05th August, 2022 until the conclusion of the 37th Annual General Meeting to be held for the financial year 2026-27.

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 2023-2024 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 Statutory 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 Statutory Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2024 are self-explanatory and therefore do not call for any further comments and there were no qualifications, reservations or adverse remarks.

INTERNAL AUDITORS

The Board of Directors of your Company have re-appointed M/s. KAAP & Associates, Chartered Accountants, Delhi (Firm Registration No. 019416N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2024-2025.

SECRETARIAL AUDITORS

The Board of Directors of your Company have re-appointed M/s Mahesh Gupta & Co., Practising Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2024-2025. The Report of the Secretarial Auditors for the financial year 2023-2024 is annexed to the Directors Report as per "Annexure - C". Further there were no qualifications, reservations or adverse remarks made by the secretarial auditors in this secretarial audit 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.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the period under review.

SETTLEMENT WITH BANK OR FINANCIAL INSTITUTION

There was no instance of one-time settlement with any Bank or Financial Institution.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2024 is available on the Company's website and can be accessed at https://www.flexfoodsltd.com/pdf/Annual_Return/Annual_Return_2023_2024.pdf.

MEETINGS

During the year under review, four Board Meetings, four meetings of Audit Committee, one meeting of Nomination and Remuneration Committee, one meeting of CSR Committee and four meetings Stakeholders Relationship Committee were convened and held, the details of which are given in Corporate Governance Report appended hereto.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Mrs. Indu Liberhan as the Chairperson, Mr. Pradeep Narendra Poddar, Member, Mr. Arvind Mahajan, Member, and Mr. Rahul Razdan, Member. More details about the Committee are given in the Corporate Governance Report appended hereto.

During the year, Mr. Pradeep Narendra Poddar was appointed as the member of the Audit Committee w.e.f. 12th August, 2023 and Mr. Rajendra Kumar Mishra ceased to be the member of the Audit Committee w.e.f. 12th August, 2023.

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, 2024 and the date of this report affecting financial position of the Company.

INTERNAL 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

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 - D".

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 to the Company.

BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013 and under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee and 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.

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 E & F".

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 2023-2024 and hence no complaint is outstanding as on 31st March, 2024 for redressal.

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 May, 2024

ANNEXURE - A
FLEX FOODS LIMITED
CSR REPORT FOR THE FY 2023-24

1	Brief outline on CSR Policy of the Company	Flex Foods Limited strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by Promoting education and keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company lives and operates.			
2	Composition of CSR Committee:				
	S I . No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	1.	Mr. Rahul Razdan	Chairperson / Executive Director	1	1
	2.	Mrs. Indu Liberhan	Member / Independent Director	1	1
	3.	Mr. Pradeep Narendra Poddar	Member / Independent Director	1	1
3	Provide the web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.			https://www.flexfoodsltd.com/pdf/CSRPolicy.pdf	
4	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.			NOT APPLICABLE	
5	(a)	Average net profit of the company as per sub-section (5) of section 135.		Rs. 511.94 Lakhs	
	(b)	Two per-cent of average net profit of the company as per sub-section (5) of Section 135.		Rs. 10.24 Lakhs	
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.		NIL	
	(d)	Amount required being set-off for the financial year, if any.		0.42 Lakhs	
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].		Rs. 9.82 Lakhs	
6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).		Rs. 10.00 Lakhs	
	(b)	Amount spent in Administrative Overheads.		NIL	
	(c)	Amount spent on Impact Assessment, if applicable.		N.A.	
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].		Rs. 10.00 Lakhs	
	(e)	CSR amount spent or unspent for the Financial Year:			
	Total Amount Spent for the Financial Year (Rs. in Lacs)	Amount Unspent (Rs. in Lakhs)			
		Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of Section 135	
		Amount	Date of transfer	Name of the Fund	Amount
	10.00 Lakhs	N.A.		N.A.	

(f)	Excess amount for set-off, if any:	
	S. No.	Particular
	(i)	Two per-cent of average net profit of the company as per sub-section (5) of section 135
	(ii)	Total CSR obligation for the financial year*
	(iii)	Total amount spent for the Financial Year
	(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]
	(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any
	(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]
		Amount (In Rs. Lakhs)
		10.24
		9.84
		10.00
		0.18
		NIL
		0.18

*Row (ii) is included in the table as an additional disclosure.

7.	Details of Unspent CSR amount for the preceding three financial years:								
	1	2	3	4	5	6		7	8
	Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of Section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
						Amount (in Rs)	Date of transfer		
	-	-	-	-	-	-	-	-	-

8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:							
	<input type="checkbox"/> Yes				<input checked="" type="checkbox"/> No			
	If Yes, enter the number of Capital assets created/ acquired						Not Applicable	
	Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year						Not Applicable	
	Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
	(1)	(2)	(3)	(4)	(5)	(6)		
						CSR Registration Number, if applicable	Name	Registered address
	(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)							
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.						Not Applicable	
	(ASHOK CHATURVEDI) Chairman DIN: 00023452				(RAHUL RAZDAN) Chairperson of CSR Committee DIN: 09290572			

Place : Noida
Dated : 27th May, 2024

ANNEXURE - B

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

Energy Conservation Measures Taken

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

Energy consumption is done for each product & process, measuring & analyzing data on steam generation, distribution & consumption, measuring & analyzing data on electricity & consumption, process analysis & improvement, Identifying & eliminating distribution system loss, frequent inspection & cleaning programs and also VFD has been installed wherever required. Automatic steam control valve for optimizing steam in Air Drying Plant. Electricity consumption has been reduced by monitoring & analyzing data on regular basis at Freeze drying & other units as compared to last year.

Optimum recycling of water by interchanging the treated water between tanks to minimize wastage. Disposal of agricultural waste to a manufacturer of compost fertilizer.

The Company is using alternate energy which was installed in previous years.

The Company has not made any major capital investments during the FY 2023-24.

ABSORPTION TECHNOLOGY

Research & Development (R&D)

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

The company has prioritized and carried out R&D work in the process and product development of the Company as listed below:

- FD Jamun
- FD Tofu
- FD Edamame Beans
- FD Straw berry
- FD dragon fruit
- FD cranberry
- FD coconut
- FD flavored Zucchini
- FD flavored beetroot
- FD Tamarind
- FD Spota
- FD guava
- FD Papaya
- FD Flavored Corn
- FD Tamarind
- FD Leek
- FD Banana Peel powder
- IQF Capsicum
- IQF Potato
- IQF Onion
- IQF Carrot
- IQF Papaya
- IQF Banana

- IQF Okara
- Air-Dried Peas
- Air Dried Apple
- Air Dried Pumpkin
- AD Banana Powder
- AD Blueberry
- AD Potato
- Sprouting Trials of Organic cereals, Millets & Pulses
- Organic AD Rice, Millets & Pulses Flours
- Organic Crackers & Noodles

(ii) **Benefits derived as a result of R&D**

Increase in the products of the Company and some of the products are in the pipe line.

Future plan of Action.

- a) Production and supply to be initiated for the products considered for new product development.
- b) Training program has been initiated at both the plant locations for farmers for growing of Organic & Conventional herbs for Good Agricultural Practices (GAP) to grow herbs as per US and EU norms.
- c) Backward integration for growing of herbs with increased area of cultivation for sustained and quality supply of fresh herbs.
- d) Certification of GRASP along with updated version-6 of Global GAP.

The Company has not made any major expenditure on R&D during the FY 2023-24.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL
- (iv) The Company has not done any expenditure on research and development during the financial 2023-24.

FOREIGN EXCHANGE EARNING AND OUTGO

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.

During the year, the Company had exported manufactured goods calculated on FOB basis amounting Rs. 8,897 lakhs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to Rs. 221 lakhs.

For & On behalf of the Board

Place : Noida
Dated : 27th May, 2024

Ashok Chaturvedi
Chairman
(DIN: 00023452)

ANNEXURE - C
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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, 2024** 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, 2024 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 and in compliance with the SDD provisions.
 - 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 and Sweat Equity) Regulations, 2021 - **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 all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above and also filed all the required E-forms / Returns with the appropriate authorities from time to time.

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-tome 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 have taken place.

Place :Delhi
Date: 27th May, 2024

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870::C P No.: 1999
Peer review certificate no. 727/2020
UDIN NO.: F002870F000452321

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

To

The Members

FLEX FOODS LIMITED

(CIN: L15133UR1990PLC023970)

Lal Tappar Industrial Area,

PO-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 : 27th May, 2024

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870; C P No.: 1999
Peer review certificate no. 727/2020
UDIN NO.: F002870F000452321

ANNEXURE - D

PARTICULARS OF REMUNERATION

Pursuant to Section 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
Mr. Ashok Chaturvedi	0.39
Mrs. Indu Liberhan	1.18
Mr. R.K. Mishra (up to 15.08.2023)	0.47
Mr. Rajeev Sharma	0.71
Mr. Arvind Mahajan	0.78
Mr. Pradeep Narendra Poddar	0.71
Executive Director	
Mr. Rahul Razdan	30.12

- (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
Mr. Ashok Chaturvedi	0.00
Mrs. Indu Liberhan	7.14
Mr. R.K. Mishra (up to 15.08.2023)	-60.00
Mr. Arvind Mahajan	0.00
Mr. Rajeev Sharma	0.00
Mr. Pradeep Narendra Poddar	#
Executive Directors	
Mr. Rahul Razdan	14.27
Key Managerial Personnel (KMP)	
Mr. Naval Kishore Duseja (CFO)	5.29
Mr. Himanshu Luthra (Company Secretary) ^	201.61
Mr. Ashok Chaturvedi	0.00

Mr. Pradeep Narendra Poddar was appointed as Independent Director of the Company w.e.f. 21.07.2023, therefore, it is not possible to calculate % increase in his remuneration

^ Mr. Himanshu Luthra was appointed as Company Secretary of the Company w.e.f. 11.11.2022 therefore, % increase in his remuneration during 2023-24 is exponential.

- (c) The percentage increase in the median remuneration of employees in the financial year: 14.59

- (d) The number of permanent employees on the rolls of company

Calculation of median remuneration of the employee is 526.

- (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 2023-24 was 7.05%. Percentage increase in the managerial remuneration for the year was 3.97%

- (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 endeavours 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.

ANNEXURE - E

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2024

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, 2024)

The Board of Directors of the Company comprises of Six Directors with One Executive Director and Three Independent Non-executive Directors including a Woman Director and two Non-executive Directors. The Chairman of the Company is 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 where any Independent Director is serving as a Whole-time Director in any listed company, such Director is not serving as an Independent Director in more than three listed Companies. 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 and category of Directors as on March 31, 2024 are as follows:

S. No.	Name of Directors	DIN	Designation	Category
1.	Mr. Ashok Chaturvedi	00023452	Chairman	Promoter –Non-Executive Director
2.	Mr. Rahul Razdan	09290572	Whole-time Director & CEO	Executive Director & CEO
3.	Mr. Rajeev Sharma	08789214	Director	Non- Executive Director
4.	Mrs. Indu Liberhan	03341420	Director	Independent, Non-Executive Director
5.	Mr. Pradeep Narendra Poddar	00025199	Director	Independent, Non-Executive Director
6.	Mr. Arvind Mahajan	02410540	Director	Independent, Non-Executive Director

Note:

- Mr. Rajendra Kumar Mishra ceased to be the Director of the Company w.e.f. 15th August, 2023.
- Mr. Pradeep Narendra Poddar was appointed as the Director of the Company w.e.f. 21st July, 2023.

(b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2023-2024. The dates on which the meetings were held are 26th May, 2023, 12th August, 2023, 13th November, 2023 and 09th February, 2024.

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
Mr. Ashok Chaturvedi	4	No
Mr. Rahul Razdan	4	Yes
Mr. Rajeev Sharma	4	Yes
Mrs. Indu Liberhan	4	No
Mr. Pradeep Narendra Poddar	3	No
Mr. Arvind Mahajan	4	Yes
Mr. Rajendra Kumar Mishra	2	No

Note:

- Mr. Rajendra Kumar Mishra ceased to be the Director of the Company w.e.f. 15th August, 2023.
- Mr. Pradeep Narendra Poddar was appointed as the Director of the Company w.e.f. 21st July, 2023.

(ii) **Directorships and Committee Membership/Chairmanships in other Public Limited 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 #	
Mr. Ashok Chaturvedi	1	-	-	Uflex Limited (Executive Chairman)
Mr. Rahul Razdan	-	-	-	-
Mr. Rajeev Sharma	-	-	-	-
Mrs. Indu Liberhan ^{Note}	-	-	-	-
Mr. Arvind Mahajan	-	-	-	-
Mr. Pradeep Narendra Poddar	3	3	1	1. Tasty Bite Eatables Ltd. (Chairman, Independent, Non-Executive) 2. Welspun Living Ltd. (Director, Independent, Non-Executive)
Mr. Rajendra Kumar Mishra	-	-	-	-

@ Excludes Directorships of Foreign Companies and Dormant Companies.

Includes only Audit Committee and Stakeholders' Relationship Committee. As per declarations received, none of the Directors serve as an Independent Directors in more than 7 Listed Companies. Further, the Whole-time Director does not serve as an Independent Director in any other entity.

Note:

1. Mr. Rajendra Kumar Mishra ceased to be the Director of the Company w.e.f. 15th August, 2023.
2. Mr. Pradeep Narendra Poddar was appointed as the Director of the Company w.e.f. 21st July, 2023.
3. Mrs. Indu Liberhan ceased to be an Independent Director of Uflex Ltd. w.e.f. 27th May, 2023.

(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, 2024, none of the Directors of the Company held shares or convertible instruments of the Company except Mr. Ashok Chaturvedi, Chairman who held 7,610 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 along with 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 to be placed before the Board of Directors under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

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

(g) **Skills / Expertise / Competence of the Board of Director (serving as at 31-03-2024):**

The Company being in cultivation and processing of Mushroom, Herbs, Fruits and Vegetables business, the skills/expertise/competence of the Board of Directors required are to solve issues 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.

The Board of Directors of the Company comprises highly qualified members, possessing required skills, expertise, and competence in making effective contributions towards the growth of the Company. Leadership, operational experience,

strategic planning, industry experience, research & development, innovation, consumer insights, marketing, supply chain management and branding are the key core skill / expertise / competence, in the context of the Company's business apart from governance, finance, taxation and regulatory affairs functions. In the opinion of the Board, these skills are available with the Member of the Board of Directors and is best demonstrated with the following chart / matrix:

S. No.	Name of Director(s)	Skills / expertise / competence
1.	Mr. Ashok Chaturvedi	Leadership, Business Strategy, Industry Experience specially in Food Processing, Sales & Marketing, Strategic Planning, Product Innovation, etc.
2.	Mr. Rahul Razdan	Strategic Planning, Industry Experience in Food Processing Technology, Product Innovation, Sales & Marketing.
3.	Mr. Rajeev Sharma	Project Planning, Management & Execution, Supply Chain Management and liaisoning.
4.	Mrs. Indu Liberhan	Finance Management, Banking, Taxation and Capital Markets, Corporate Governance, etc.
5.	Mr. Pradeep Narendra Poddar	Strategic Planning, Business Operations, Industry Experience, Risk Management, Consumer insights & Supply Chain Management & Branding
6.	Mr. Arvind Mahajan	Finance Management, Law, Sales, Marketing, Administration, Research, Corporate Governance, Technical operations, etc

(h) Compensation or Profit Sharing

No employee including Key Managerial personnel or Directors, or promoters of the company has entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard 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-and-condition-of-appointment-of-independent-directors/Terms_and_Condition_Appointment_of_Independent_Directors.pdf).

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(k) 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 21st March, 2024 to review the performance of Non-Independent Directors, 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 expiry of their respective tenure(s).

(l) 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-2023-2024.pdf>).

3 Audit Committee

During the year, the Audit Committee comprises of viz. Mrs. Indu Liberhan, Mr. Arvind Mahajan, Mr. Pradeep Narendra Poddar and Mr. Rahul Razdan. Mrs. Indu Liberhan is the Chairperson of the Audit Committee. All the members of the Audit Committee are Non-Executive Independent Directors except Mr. Rahul Razdan who is Whole-time Director & CEO of the Company. Majority of the members of Audit Committee have accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

Mrs. Indu Liberhan (Chairperson of Audit Committee) was unable to attend the last Annual General Meeting dated 18th August, 2023 so she authorized Mr. Rahul Razdan, Whole Time Director and Audit Committee member to attend the Annual General Meeting on her behalf.

During the year, Mr. Rajendra Kumar Mishra ceased to be the member of the Audit Committee w.e.f. 12th August, 2023 and Mr. Pradeep Narendra Poddar was appointed as the member of the Audit Committee w.e.f. 12th August, 2023.

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and the Listing Regulations.

Details of Meetings and Attendance

During the year, the Audit Committee met Four times on 26th May, 2023, 12th August, 2023, 13th November, 2023 and 9th February, 2024. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Mrs. Indu Liberhan	4	4
Mr. Rajendra Kumar. Mishra	4	2
Mr. Arvind Mahajan	4	4
Mr. Rahul Razdan	4	4
Mr. Pradeep Narendra Poddar	4	2

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.

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 Director 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.

Composition and details of Meetings

The Company has a Nomination and Remuneration Committee comprising of three members viz Mrs. Indu Liberhan, Mr. Arvind Mahajan and Mr. Pradeep Narendra Poddar. All the members of the Nomination and Remuneration Committee are Non-Executive and Independent. Mrs. Indu Liberhan (Chairperson of the Nomination and Remuneration Committee) was unable to attend the last Annual General Meeting dated 18th August, 2023 so she authorized Mr. Arvind Mahajan, Independent Director and Nomination and Remuneration Committee member to attend the Annual General Meeting on her behalf. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met one time on 21st July, 2023. All the Members have attended the meeting.

During the year, Mr. Rajendra Kumar Mishra ceased to be the member of the Nomination and Remuneration Committee w.e.f. 12th August, 2023 and Mr. Pradeep Narendra Poddar was appointed as the member of the Nomination and Remuneration Committee w.e.f. 12th August, 2023.

5. 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 were subject to evaluation had not participated.

6. Remuneration to Directors

Details of Remuneration paid to Whole-time Director for the year ended 31.03.2024 is given below:

(In INR)

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission paid (Rs.)	Bonus paid (Rs.)	Total (Rs.)	Service Term
Mr. Rahul Razdan	82,40,016	3,70,800	-	10,00,000	96,10,816/-	3 years

For any termination of contract, the Company or the Executive Director is required to give notice as per the Policy formulated by the Company.

The company does not have any stock option scheme.

None of the Directors 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 INR)

Name	Board meetings	Committees Meetings*	Total
Mr. Ashok Chaturvedi	1,00,000.00	25,000.00	1,25,000.00
Mr. Rajendra. Kumar Mishra ^{Note}	50,000.00	1,00,000.00	1,50,000.00
Mrs. Indu Liberhan	1,00,000.00	2,75,000.00	3,75,000.00
Mr. Rajeev Sharma	1,00,000.00	1,25,000.00	2,25,000.00
Mr. Arvind Mahajan	1,00,000.00	1,50,000.00	2,50,000.00
Mr. Pradeep Narendra Poddar ^{Note}	75,000.00	1,50,000.00	2,25,000.00

Note:

1. Mr. Rajendra Kumar Mishra ceased to be the Director of the Company w.e.f. 15th August, 2023.
2. Mr. Pradeep Narendra Poddar was appointed as the Director of the Company w.e.f. 21st July, 2023.

* It includes fees paid for separate meeting of Independent Directors

6. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee comprising of Mr. Rajeev Sharma, Mrs. Indu Liberhan and Mr. Pradeep Narendra Poddar. During the year, Mr. Rajendra Kumar Mishra ceased to be the member of the Stakeholders Relationship Committee w.e.f. 12th August, 2023 and Mr. Pradeep Narendra Poddar was appointed as the member of the Stakeholders Relationship Committee w.e.f. 12th August, 2023. Mr. Rajeev Sharma was appointed as the Chairman of the Committee w.e.f. 12th August, 2023. 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.

In order to expedite the process of share transfers/ transmission, the Board of Directors have nominated a committee of three officers, who normally attend to the transfer, non-receipt of Annual Report, Dividend and other related matters within the timelines as stipulated in the guidelines. The Committee of Officers operates subject to overall supervisions and directions of Stakeholders' Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of the Companies Act, 2013 and the SEBI LODR regulations.

During the year, the Stakeholders' Relationship Committee met four times on 31st May, 2023, 13th September, 2023, 28th December, 2023 and 7th March, 2024. The attendance of each Committee members is as under:

Name of Members	No. of Meeting held	Meeting attended
Mr. Rajeev Sharma	4	4
Mr. Indu Liberhan	4	4
Mr. Pradeep Narendra Poddar ^{Note}	4	2
Mr. Rajendra Kumar Mishra ^{Note}	4	1

Note:

- Mr. Rajendra Kumar Mishra ceased to be the Director of the Company w.e.f. 15th August, 2023.
- Mr. Pradeep Narendra Poddar was appointed as the Director of the Company w.e.f. 21st July, 2023.

Mr. Rajeev Sharma (Chairman of the Stakeholders' Relationship Committee) was present in the last Annual General Meeting held on 18th August, 2023.

During the year one complaint was received and one complaint was resolved and the outstanding complaints as on 31.03.2024 were NIL. There was no valid share transfer pending for registration for more than 10 days as on the said date.

The Company Secretary acts as Secretary to the Committee.

7. 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".

8. Corporate Social Responsibility (CSR) Committee

The CSR committee has three members comprising of Mr. Rahul Razdan (Chairman), Mrs. Indu Liberhan and Mr. Pradeep Narendra Poddar. During the year, Mr. Rajendra Kumar Mishra ceased to be the member of the Corporate Social Responsibility Committee w.e.f. 12th August, 2023 and Mr. Pradeep Narendra Poddar was appointed as the member of the Corporate Social Responsibility Committee w.e.f. 12th August, 2023.

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 13th November, 2023. All the members had attended the meeting.

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

9. Particulars of Senior Management Personnel and changes since the close of previous financial year (i.e., 31st March, 2023).

Sl. No.	Name of Senior Management	Designation	Department
1	Mr. Naval Kishore Duseja	CFO-KMP	Finance & Accounts
2	Mr. Himanshu Luthra	CS-KMP	Secretarial
3	Mr. Pankaj Sunny Pattam	Vice President	Operations
4	Mr. Sanjeev Kumar Nigam	Asst. Vice President	Manufacturing
5	Mr. Gem Zacharia	General Manager	Operations
6	Mr. Vishnu Dutt Tyagi	General Manager	HR & A
7	Mr. S A Parthasarathy	Dy. General Manager	Sales

During the FY 2023-24, following changes were done:

Name of Senior management	Changes
Mr. Gem Zacharia, General Manager-Operations	Cessation

10. Subsidiary Companies

The Company does not have any Subsidiary Company.

11. General Body Meetings

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

AGM/EGM	Day, Date & Time	Venue	Special Resolutions Passed
31 st	Friday, 24 th September, 2021 at 03:00 P.M.	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	<ul style="list-style-type: none"> Appointment of Mr. Rahul Razdan (DIN: 09290572) as Whole-time Director for 3 years and fix his remuneration. Appointment of Mr. Arvind Mahajan (DIN: 02410540) as Independent Director for 5 years.
EGM (1/2022)	Tuesday, January 04, 2022, at 11:30 A.M	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	<ul style="list-style-type: none"> Increasing the Borrowing Powers of the Company Creation of Mortgage / Charge on the Assets of the Company Availing / Acceptance of Inter Corporate Deposit(s) / Loan(s)
32 nd	Friday, 05 th August, 2022 at 03:00P.M.	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	<ul style="list-style-type: none"> Re-appointment for second term of Mrs. Indu Liberhan (DIN: 03341420) as an Independent Director for 5 years.
33 rd	Friday, 18 th August, 2023	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	<ul style="list-style-type: none"> Appointment of Mr. Pradeep Narendra Poddar as an Independent Director of the Company for a term of 3 years w.e.f. 21st July, 2023.

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

During the period under review, there was no postal ballot conducted by the Company.

(ii) **Whether any Special Resolution is proposed to be passed through Postal Ballot?**

Special Resolution(s) as may be considered necessary/required would be passed through Postal Ballot.

(iii) **Procedure of Postal Ballot**

In terms of the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 33/2020 dated September 28, 2020 and 09/2023 dated September 25, 2023 (collectively the "MCA Circulars"), the Postal Ballot Notice has to be sent by email to all the members of the Company who have registered their email addresses with the company or depository / depository participants and the communication of assent / dissent of the members took place only through the remote e-voting system.

12. 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.

13. CEO/CFO Certifications

Mr. Rahul Razdan, Whole-time Director & CEO and Mr. Naval Duseja, Chief Financial Officer 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 May, 2024.

14. General Shareholders Information

(a) **Annual General Meeting to be held**

Date: 27th August, 2024

Day: Tuesday

Time: 03:30 P.M. (Annual General Meeting through video conferencing /other audio-visual means (VC/OAVM)) facility)

Deemed venue for meeting: Registered Office of the Company at Lal Tapper Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand

(b) Tentative Financial Calendar

- Results for quarter ending 30.06.2024: By mid of August, 2024
- Results for quarter ending 30.09.2024: By mid of November, 2024
- Results for quarter ending 31.12.2024: By mid of February, 2025
- Results for quarter ending 31.03.2025: Last week of May, 2025

(c) Book Closure date

Saturday, 3rd August, 2024 to Tuesday, 27th August, 2024 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2023-2024, if declared will be paid/credited to the account of the shareholders on or after 27th August, 2024.

(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 2024-2025.

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

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

(h) Stock Market Price for the year 2023-2024: -

Share prices on BSE Limited are as under:

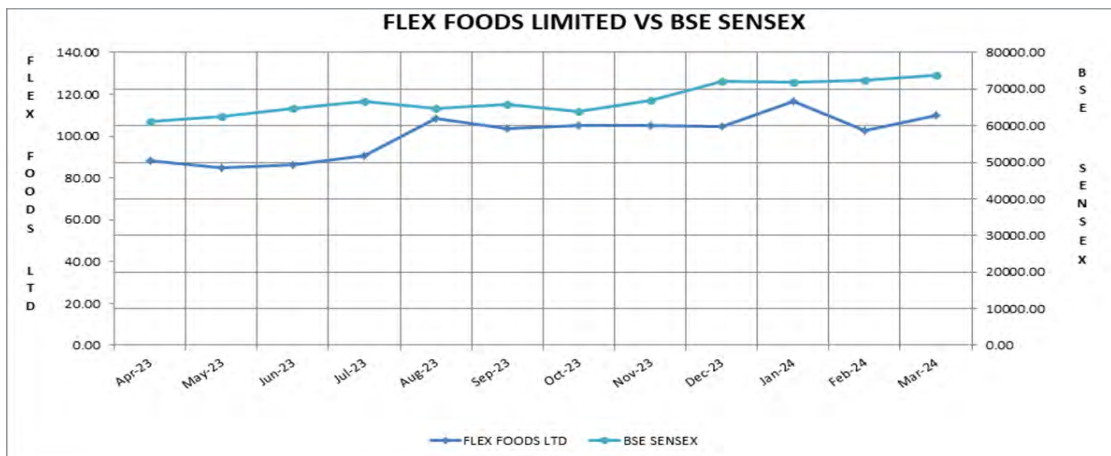
(In INR)

Month	High	Low
Apr-2023	94.99	77.60
May-2023	96.65	81.00
Jun-2023	94.40	82.00
Jul-2023	95.70	85.00
Aug-2023	116.50	85.64
Sep-2023	119.95	99.50
Oct-2023	113.60	98.00
Nov-2023	115.00	98.00
Dec-2023	108.00	99.60
Jan-2024	125.50	102.60
Feb-2024	122.80	100.00
Mar-2024	117.10	95.60

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

Performance in comparison to BSE Sensex

(Flex Foods Ltd. Share Price Vs. BSE Sensex on the last trading day of the month).



(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) Share Transfer System

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, M/s Beetal Computer and Financial Services Private Limited, for assistance in this regard.

(l) Distribution of Shareholding as on 31.03.2024

Range	No. of Shareholders	No. of shares	% of total equity
Upto 500	9317	1041353	8.36
501 - 1000	422	348060	2.80
1001 - 2000	195	299033	2.40
2001 - 3000	60	152133	1.22
3001 - 4000	40	148271	1.19
4001 - 5000	33	155221	1.25
5001 - 10000	50	364790	2.93
10001 - 20000	18	250484	2.01
Above 20000	27	9690655	77.84
TOTAL	10162	12450000	100.00

(m) Categories of Shareholders as on 31.03.2024

Category Code	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	Shareholding of Promoters & Promoter Group			
1	Indian	9	7451191	59.85
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	7451191	59.85

Category Code	Category	No. of Shareholders	No. of shares held	% of shareholding
(B)	Public Shareholding			-
1	Institution	1	100	0.00
2	Non-Institution	10152	4998709	40.15
	Total Public Shareholding	10153	4998809	40.15
(C)	Non-Promoter-Non-Public	--	--	--
(C1)	Share Underlying DRs	--	--	--
(C2)	Shares /held by Employee Trusts	--	--	--
	Total (A+B+C))	10162	12450000	100.00

(n) Dematerialization of Shares and liquidity

Nearly, 97.61% of total equity share capital is held in dematerialized form as on 31st March, 2024 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

(o) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in future and options related to commodities and therefore disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Company is exposed to foreign exchange risks arising from transactions entered into foreign currency. However, the Company has not undertaken any hedging activity during the year.

(p) Outstanding ADRs / GDRs / Warrants

No ADRs/GDRs/ Warrants or any convertible instrument has been issued by the Company. Hence there were no outstanding ADRs. GDRs as on 31.03.2024.

(q) Plant Locations

- (i) Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand.
- (ii) Devaganapalli, Krishnagiri, Tamil Nadu.
- (iii) Chidderwala, Haridwar Road, Dehradun, Uttarakhand.

(r) 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@flexfoodsltd.com

(s) Credit Rating

The India Rating & Research (Ind-Ra) has affirmed Company's long-term Rating at "IND BB+/Negative/IND A4+".

15. 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 arm- 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. It is affirmed that no personnel have been denied access to the Audit Committee

To meet this objective, a Whistle Blower Policy has been laid down. The 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>

c) Weblink where policy for determining "Material" subsidiaries

Presently, the Company is not having any subsidiary. However, in terms of requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has framed a policy for determining "Material" subsidiaries. The policy as approved by the Board was uploaded on the Company's website www.flexfoodsltd.com at weblink https://www.flexfoodsltd.com/pdf/Policy_for_Determining_Material_Subsiidiaries.pdf.

d) Accounting Treatment

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, by the Ministry of Corporate Affairs (MCA), the provision of the Companies Act, 2013, Guidance / Advisory issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Securities and Exchange Board of India (SEBI).

e) 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.

f) 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.

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

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

h) Management Discussion and Analysis

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

i) Details of Non-compliance, Penalties, 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 Exchange or SEBI or any other statutory authority on any matter related to capital market.

j) Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non-mandatory requirements of the Corporate Governance:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2024; and
- The Internal Auditor directly reports to the Audit Committee

k) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Not Applicable

l) 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](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.

m) 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, 2024 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.

- a) 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.
- b) 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 E-1.
- c) The Board of Directors of the Company has accepted the recommendations of all the Committee made recommendations.
- d) Total fees for all services paid by the company to Statutory Auditor, M/s MJMJ & Associates LLP, Chartered Accountants are Rs 27.01 Lakhs.
- e) Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made elsewhere in Directors Report.
- f) Disclosure by the Listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount – This Clause is not applicable to the Company as the Company not provided any Loans / advances in the nature of loans to the firms/companies in which directors are interested.
- g) Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under Regulation 32(7A) - This Clause is not applicable to the Company as the Company not raised any fund through preferential allotment and / or QIP.

16. Other Requirements - Compliance with the Discretionary Requirements**a) 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.

b) 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.

c) Audit Qualifications

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

d) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee.

17. Disclosure with respect to Suspense Escrow Demat Account

The status of equity shares in the Suspense Escrow Demat 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.	-	-
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.	1	200

18. Disclosure of certain types of agreements binding listed entities

There are no agreements as mentioned under clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 for the year under reference.

19. 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 May, 2024 and the same was approved.

INDEPENDENT AUDITOR'S 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, 2024 as per Regulations 17, 18, 19, 20, 22, 23, 24A, 25, 26, 26A, 27 and clause(b) to (i) and (t) of the Regulation 46(2) and paragraph C, D, E, F & G 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, 24A, 25, 26, 26A, 27 and clause(b) to (i) and (t) of the Regulation 46(2) and paragraph C, D, E, F & G 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

Megha Jain

Partner

Membership No. 415389

Udin No. - 24415389BKAET15028

Dated : 27.05.2024
Place : Noida

DECLARATION

To
**The members of
Flex Foods Limited**

I, Rahul Razdan, 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, 2024 pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Flex Foods Limited

Place : Noida
Dated : 27th May, 2024

Rahul Razdan
Whole-Time-Director
DIN: 09290572

ANNEXURE - E1

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 Tapper 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 Tapper 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, 2024 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	Mr. Ashok Chaturvedi	00023452	05-02-1990
2	Mrs. Indu Liberhan	03341420	16-08-2019
3	Mr. Rajeev Sharma	08789214	14-07-2020
4	Mr. Rahul Razdan	09290572	24-08-2021
5	Mr. Arvind Mahajan	02410540	24-08-2021
6	Mr. Pradeep Narendra Poddar*	00025199	21-07-2023
7	Mr. Rajendra Kumar Mishra**	07905342	16-08-2017

*Mr. Pradeep Narender Poddar Appointed to be the Director of the Company w.e.f. 21st July, 2023.

** Mr. Rajendra Kumar Mishra ceased to be the Director of the Company w.e.f. 15th August, 2024.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Delhi
Date : 27th May, 2024

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870::C P No.: 1999
Peer review certificate no. 727/2020
UDIN NO.: F002870F000452264

ANNEXURE -F

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD-LOOKING STATEMENTS

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

MACROECONOMIC OVERVIEW

Geopolitical conditions remain challenging, with actual conflicts and serious risk scenarios creating uncertainty for businesses and entire economies throughout the year resulting the global economy continue to confront the challenges of persistent inflation and subdued growth prospects. The global economy is still grappling with the impact of higher interest rates and also corporates worldwide are still not able to calculate the demand and buying pattern. There is a feeling that pipelines are almost empty in supply chains and there may be a scenario where the short supplies will come into play by third quarter. The challenges are a bit softened by some demand from china though the products are facing a lot of pressure from western world. Additionally, increased global tensions from events like Israel's conflict with Hamas and the situation in Ukraine pose significant risks to ongoing economic growth. The world's challenging economic conditions are all too evident in the output results for the food and beverages industry.

GLOBAL ECONOMIC OUTLOOK

Global growth is set to increase a bit this year. The freight rates have eased a bit but still there is a lot of tension in the red sea area and that is keeping the freight still higher and more importantly the turn around time is very high at the moment. Even though investment in emerging market and developing economies (EMDEs) is likely to remain little buoyant, lessons learned from episodes of investment growth acceleration over the past seven decades highlight the importance of macroeconomic and structural policy actions and their interaction with well-functioning institutions in boosting investment and thus long-term growth prospects. Commodity-exporting EMDEs face a unique set of challenges amid fiscal policy procyclicality and volatility. Another important event this year will be the elections in USA and that will determine their trade policy and also surely will impact south Asian region with china at helm.

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in

most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down. With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)

INDIAN ECONOMIC OVERVIEW

In a world of extreme uncertainty, India is witnessing a conducive environment of macroeconomic stability: the economy remains resilient, inflation has started moderating, fiscal consolidation is gaining traction, the current account deficit is showing signs of moderation, forex reserves have improved, and the banking sector remains healthy. In the vast landscape of global economies, India stands out with its meteoric rise and unwavering determination to reach new heights. With its rich cultural heritage and a population of over 1.4 billion people, India has emerged as an economic powerhouse, consistently showcasing its prowess on the global stage. 2023 has proven to be a turning point as India's GDP surges, solidifying its position as a frontrunner in the global economic race. Indian economy is to grow by a robust 7.3% in FY 2023-24 over and above provisional growth rate of 7.2% during the last financial year (according to the First Advance Estimates of National Statistical Office (NSO) 2023-24). All the economic sectors have fared well by witnessing more than 6%, except for Agriculture and Allied sector, for which the estimated growth is 1.8%. However, as per the World Bank Report "Global Economic Prospectus - 2024", India is anticipated to maintain the fastest growth rate among the world's largest economies, but its post-pandemic recovery is expected to be slow, with estimated growth of 6.3 percent in FY 2023-24. Growth is then expected to recover gradually, edging up to 6.4 percent in FY 2024-25 and 6.5 percent in FY 2025-26 supported by higher public investment and improved corporate balance sheets, including in the banking sector. However, the long-term growth drivers of the economy remain intact, coupled with a large and fast-growing middle-class driving consumer spending. The rapidly growing domestic consumer market as well as the large industrial sector has made India an important investment destination for a wide range of multinationals across manufacturing, infrastructure, and services. Further, India is fast becoming the startup capital of the world, attractive sizeable foreign investments, driven by its young population and technology edge. However, a complex interplay of geopolitical events including the neighbouring

countries, high inflation and consequently elevated interest rates could pose risks to future economic growth.

INDUSTRY SCENARIO AND DEVELOPMENT

The agro and food processing industry today assumes a lot of significance in driving economic growth as it links the primary producers, the majority of whom are located in rural and remote locations, to the domestic and global urban markets. The global processed food products industry is rapidly changing, with rising demographics, increased demand for branded and convenience food products and a growing consumer focus on organic food and clean label food products. Food processing ingredients are products derived from minimally processed food through refining, milling, pressing, or grinding processes. These products are not directly consumed but are used to prepare minimally processed foods.

In today's ever-evolving world, the food processing industry continues to play a pivotal role in shaping the way consumers perceive, purchase, and consume their daily meals. Driven by advancements in technology and growing consumer demand for healthier, sustainable, and convenient food options, the industry is witnessing a rapid transformation that has significant implications for both businesses and consumers.

Food Processing Industry Trends

- **Alternative proteins** : Consumers are increasingly looking for alternatives to traditional meat products, driven by health, environmental, and ethical concerns. Alternative proteins such as plant-based meats, cultivated meat, and insect protein are all growing in popularity. Food processors are responding to this trend by developing new and innovative products using these alternative proteins.
- **Personalized nutrition**: With the rise of wearable devices and DNA testing, consumers are becoming more aware of their individual dietary needs. Food processors are responding to this trend by developing personalized nutrition products and services. These products and services are tailored to meet the individual needs of each consumer, based on their age, gender, health status, and dietary preferences.
- **Clean labels**: Consumers are increasingly demanding food products with clean labels, meaning that they are made with simple, recognizable ingredients. Food processors are responding to this trend by reducing the use of artificial ingredients, preservatives, and other additives in their products.
- **3D food printing**: 3D food printing is a new technology that has the potential to revolutionise the food industry. It allows food processors to create custom food products with complex shapes and textures. 3D food printing is still in its early stages of development, but it has the potential to create new opportunities for food processors and consumers.
- **Sustainability**: Food processors are increasingly focused on sustainability, both in terms of their environmental and social impact. They are working to reduce their energy and water consumption, minimise food waste, and use sustainable packaging materials. They are also working to source their ingredients from sustainable suppliers and to support fair labour practices

- **Food waste reduction**: Food waste is a major problem in the food industry. Food processors are working to reduce food waste at all stages of the supply chain, from production to distribution to consumption. This includes using preservation methods that extend the shelf life of foods, whilst retaining the nutritional value. This is helping to reduce the environmental impact of the food industry and to save money.

The food processing sector is one of the largest sectors in India in terms of production, growth, consumption, and export. India's food processing sector covers fruit and vegetables; spices; meat and poultry; milk and milk products, alcoholic beverages, fisheries, plantation, grain processing and other consumer product groups like confectionery, chocolates and cocoa products soya-based products, mineral water, high protein foods, etc. India boasts abundant agricultural resources, with a diverse range of crops and fruits grown throughout the country. This abundance provides a steady supply of raw materials for the food processing industry, fostering its growth. The food processing industry in India holds immense potential and plays a crucial role in the country's economy. It encompasses various stages of transforming raw agricultural products into processed and marketable food products. India's food processing industry has witnessed significant growth over the years, transforming the landscape of the agricultural and manufacturing sectors. With its rich agricultural resources and diverse food culture, the country has become a hub for food processing activities.

India's large and diverse population, coupled with rising disposable incomes and changing lifestyles, is fueling the demand for processed and convenience foods, which, in turn, is primarily driving the market growth. Moreover, increased urbanization and a shift towards more hectic work schedules have led to a surge in the preference for packaged and ready-to-eat (RTE) meals, creating a favorable outlook for market expansion. Concurrent with this, the government's supportive policies and initiatives, such as the Make in India campaign and the establishment of food parks and processing units, are attracting investments and contributing to the market's growth. Additionally, significant advancements in technology and innovation are enabling efficient food processing methods that improve product quality and reduce post-harvest losses, which is presenting remunerative growth opportunities for the market. Furthermore, the escalating awareness of food safety and quality standards among consumers is encouraging manufacturers to maintain high production standards and comply with regulations, thus propelling the market forward.

The Indian food processing market size reached INR 28,027.5 Billion in 2023. Looking forward, the market to reach INR 61,327.5 Billion by 2032, exhibiting a growth rate (CAGR) of 8.8% during 2024-2032. Rapid urbanization, the rising consumer preference for processed foods, favorable government initiatives, ongoing technological advancements in food processing, and an evolving retail landscape promoting convenient RTE food products are among the key factors driving the market growth. (Source: <https://www.imarcgroup.com/indian-food-processing-market>)

BUSINESS OVERVIEW

Food Processing (FP) sector emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and exports. During the last seven years ending

2021-22, FP sector has been growing at an Average Annual Growth Rate (AAGR) of around 7.26%. Gross Value Added (GVA) in FP sector has also increased from 1.30 lakh crore in 2013-14 to 2.08 lakh crore in 2021-22. (Source : <https://pib.gov.in/PressReleasePage.aspx?PRID=2003092>). Further, in recent years, the global demand for frozen foods has surged, driven by factors such as convenience, changing dietary habits, and advancements in food processing technology. India, with its vast agricultural resources and burgeoning food processing industry, has emerged as a significant player in the international frozen food market.

The Company is thriving in the highly favorable business environment for the Indian food processing industry, capitalizing on the increasing demand for Culinary Herbs, Mushrooms, Fruits and Vegetables and catering its products to the Domestic and International markets mainly in Europe, USA, Canada & Australia. Among its product portfolio, the Company offers a wide range of Vacuum Freeze Dried, Air-Dried, Frozen and IQF (Individually Quick Frozen) product range of mushrooms, herbs, spices and fruits / vegetables, meeting strict quality & hygiene standards. Canned button mushroom in various shapes and sizes is also available as per the customer requirement. It has two manufacturing facility in Dehradun, Uttarakhand and Krishnagiri, Tamil Nadu for freeze drying, air drying, individually quick-frozen processing catering to the growing global demand for the large variety of mushroom, fruits & vegetables. The Company provides a wide range of products including:

- **Freeze Dried Products**

Freeze-dried products have witnessed a surge in popularity due to their convenience, extended shelf life, and nutrient retention. As the demand for these lightweight, easy-to-store items grows, certain global markets have emerged as key players in the freeze-dried product industry. The global freeze-dried product market is thriving, with key players spread across different continents. The demand for these lightweight, nutrient-dense options is driven by diverse factors, including lifestyle choices, health consciousness, and a growing interest in sustainable and convenient food solutions. As the Company continue to witness innovations in food technology of freeze-dried products and air dried herbs in India and changing consumer preferences, the freeze-dried market is poised for further expansion.

Freeze drying is the best method among all the others as it preserves products at the highest quality, keeps 70-75% nutritional value intact while offering the longest shelf life. The rapid and full re-hydration, visually pleasing appearance and impressive flavour impact are more qualities through which freeze-dried ingredients prove their superiority over others. Freeze-dried food products by the Company preserve flavour much better than regular dehydrating, leading to brighter, fresher-tasting flavors. The Company provide a range of products including freeze dried herbs, freeze dried fruits, freeze dried vegetables and freeze dried mushrooms under this category.

- **Air Dried Products**

Air-drying is a process that removes water from food by circulating hot air around it. This process helps to preserve

the food and lock in its nutrients. The end result is a light and healthy snack that can be enjoyed at any time of the day. The popularity of air dried food is on the rise. The global air-dried food market has grown due to easy availability to a variety of packaging foods, including air-dried packaging foods, rising consumer health consciousness, and rising customer appetite to pay higher prices for air-dried foods. Air drying preserves many of the nutrients in food, whereas other methods of preservation can destroy them. People simply enjoy the taste and texture of air dried food.

- **Individual Quick Frozen (IQF) Products**

IQF technology extends the shelf life of food products, reducing food waste and allowing for greater distribution and storage flexibility. The increasing demand for convenient and ready-to-eat food products is driving the industry growth. Consumers are seeking frozen food options that require minimal preparation and offer longer shelf life. Further, the trend towards plant-based diets and meat alternatives has led to a surge in demand for IQF frozen fruits, vegetables, and plant-based proteins to cater to the growing vegan and vegetarian consumer base.

PRODUCT CATEGORIES

- a) **Mushroom Business**

Mushrooms are one of the most versatile ingredients in the culinary world, adding a complex flavor and texture to various dishes. One fascinating innovation in the mushroom industry today is the freeze-drying method, which extends its shelf life and preserves its nutrients. Freeze-dried mushroom brings a new dimension to the culinary industry, especially for those seeking a plant-based option. The growing consumer health consciousness coupled with the escalating need for nutrient-rich and cholesterol-free food products is primarily driving the Indian mushroom market. Furthermore, the emerging trend of veganism and the widespread adoption of mushrooms as a substitute for meat on account of it's rich umami taste is also propelling the market growth in the country. Besides this, the increasing utilization of mushrooms in dietary supplements as they contain a rich amount of fiber and digestive enzymes that promote gut and immunological health is catalyzing the product demand. Moreover, the elevating requirement for processed mushroom variants, especially across western countries, is generating numerous export opportunities for India, thereby creating a positive outlook for the regional market. Apart from this, continuous advancements in mushroom packaging technologies, such as the development of humidity-regulating packaging materials that prevent water condensation on mushrooms to extend their shelf-life, are also augmenting the market growth. Furthermore, the rising usage of mushrooms by the pharmaceutical industry for the treatment of several diseases, such as hypercholesterolemia and hypertension, is acting as another growth-inducing factor. In addition to this, significant investments in smart automation technologies for mushroom production to enhance the yield and decrease expenses are expected to fuel the India mushroom market.

The Company produces premium quality Champignon Mushrooms throughout the year strictly under controlled

atmospheric conditions. The Company's enhanced Freeze Dried technique ensures that the product retains the colour, shape, flavour and nutritional value better than other drying methods. World class manufacturing facilities with "state-of-the-art" technology, GMP & Quality systems make the Company a leading player in the category.

b) Fruits and Vegetables

As per the 2nd advance estimates by Ministry of Agriculture & Farmers Welfare, Government of India for 2022-23, the total horticulture production is estimated to be 351.92 Million Tonnes, surpassing the total food grain production of 329.69 Million Tonnes during the year. At present, India is the second largest producer of vegetables and fruits in the world. Country ranks first in the production of number of crops like Banana, Lemon, Papaya, Okra, etc. Growing consumer demand for convenient, processed food, technological advancements, health awareness, urbanization, and a focus on sustainability are propelling the global fruit & vegetable processing market forward. India's rich tapestry of fruits, blessed by diverse climates and fertile soils, is making waves on the global stage (Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1985479#:~:text=As%20per%20the%202%20nd,and%20fruits%20in%20the%20world.>).

Global Fruit & Vegetable Processing Market was valued at USD 63.49 billion in 2023 and is anticipated to project robust growth in the forecast period with a CAGR of 3.77% through 2029. The global fruit and vegetable processing market is a dynamic and expanding sector that plays a crucial role in meeting the growing demand for processed food products worldwide. This market encompasses a wide range of activities, including sorting, cleaning, packaging, and preserving fruits and vegetables to extend their shelf life and enhance convenience. (Source: <https://www.techsciresearch.com/report/fruit-and-vegetables-processing-market/2207.html>)

c) Herbs and Spices

Herbs and spices are essential ingredients in cooking and other areas such as nutraceuticals, as they provide flavour, aroma and colour. However, these fresh ingredients have a short shelf life, so they need to be properly preserved to maintain their organoleptic properties. Freeze-drying is a dehydration process that allows foods to be preserved for long periods of time without altering their flavour, aroma and texture. In the case of herbs and spices, freeze-drying is an excellent option to preserve their natural flavour and aroma. Since, herbs and spices are being increasingly used in convenient food owing to their vibrant flavor and several health benefits, manufacturers are using herbs and spices to make ready-to-eat food and beverages in order to meet the rising demand among consumers. Growing awareness about the side effects of additives and preservatives has rendered consumers more health conscious. As a result, the demand for organic herbs and spices has considerably increased and the manufacturers are now expanding their product portfolio with organic herbs and spices to gain customer attraction. The Company's product portfolio includes the herbs in Freeze Dried, IQF and Air Dried form.

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	1888	10474.44	2188	10172.09
Other	1355	1525.24	990	1173.03
Total	3243	11999.68	3178	11345.12

OPPORTUNITIES AND STRENGTHS

Food processing industry is of enormous significance for India's development because of the vital linkages and it promotes between the two pillars of our economy, industry and agriculture. Fast growth in the food processing sector and simultaneous improvement in the development of value chain are also of great importance to achieve favorable terms of trade for Indian agriculture both in the domestic and the international markets. The sector however has to go a long way. Even important is the crucial contribution that an efficient food processing industry could make in the nation's food security for instance the post-harvest losses of selected Fruits and Vegetables are about 25% to 30% in our country.

The scope of the food processing industry in India presents an exciting and promising landscape driven by abundant agricultural resources, changing consumer preferences, and government support. With its diverse food products, advanced technology, and growing export potential, this industry thrives and contributes significantly to the country's economic growth. By focusing on its objectives of value addition, food safety, and waste reduction, the food processing industry ensures the availability of safe, nutritious, and innovative food products that cater to consumer's diverse tastes and demands. By embracing the rapid technological advancements and sustainable practices, the scope of the food processing industry in India is poised to reach greater heights, becoming a vital player in the global food market. India has always been a leading producer of a wide variety of agricultural products, including cereals, fruits, vegetables, livestock, and marine products. The pandemic has increased acceptance of processed foods and customer demand for more ethical and environmentally friendly products is growing thanks to social media and digital information. In the post-Covid-19 era, India has the ability to become the centre of the world's food supply and increase its export share. Development of scale, quality, and cost-effective export capabilities, that fulfil international certification criteria, is crucial for the industry to remain competitive.

The transformation of raw ingredients into consumable food products is the core of food processing. This practice, which has been integral to human civilization, ensures the preservation, flavor enhancement, and safety of foods. In recent times, innovations like high-pressure processing, vacuum packaging, and ultrasonic processing have further elevated the quality, safety, and variety of processed food. As a result, India's food processing business has enormous growth potential. In addition, the sector offers a considerable number of job prospects as well as export opportunities. It also gives

farmers the chance to boost their income by increasing their output and offering them higher prices for their crops. Both domestic and international enterprises have opportunities in the consumer foods market to gain a foothold in this fast-growing processed food market.

The food processing sector in India faces challenges like inadequate infrastructure and fragmented supply chains. However, it offers vast opportunities for economic growth, job creation, and value addition to agricultural produce. By promoting modern processing techniques, storage facilities, and market linkages, the income of farmers can significantly increase. Value addition through processing not only enhances the market value of agricultural products but also ensures reduced post-harvest losses, providing a sustainable solution for augmenting farmers' income. Strategic government policies, investment in technology, and fostering partnerships between farmers and food processing industries are crucial for unlocking the sector's potential and addressing agricultural income disparities.

THREATS AND MITIGATION STRATEGIES

The Indian packaged foods and beverage consumption growth story remains strong with trends in health, wellness and convenience becoming even more relevant for the consumer as a result of the pandemic. The penetration of branded products still remains low but will continue to increase due to favourable demographics, rising per capita incomes, urbanization, higher awareness and expansion of modern retailing and e-commerce. The Company is well positioned to capitalize on this opportunity with a wide range of product portfolio, focused expansion of its sales and distribution system in India and improvements across its supply chain. Premium product offerings and new market models are also being developed. The Company is exploring opportunities to expand its products from the Indian portfolio in the International markets where the Company have presence to, caters to both ethnic food aisles and the needs of the Indian diaspora. Key threats to the Company's business include changing consumer preferences, volatility in commodity and currency, inflation and concentration of retailers in developed markets. Other challenges include limited awareness among farmers about necessary quality certifications, lack of adequate facilities for quality testing, limited brand strength of Indian products in overseas markets, lack of infrastructure for processing, storage, logistics, and limited compliance with sustainability and ethical requirements. There is one more challenge which has come in the recent past of Red sea, almost closure and this has resulted in longer route for vessels from India to EU and that is creating a problem in timely supplies to the market.

FUTURE OUTLOOK

Given India's huge and expanding population, rising urbanization, and rising disposable incomes, the nation's food processing business has a bright future. India also has a rich agricultural sector that offers a wide range of raw materials for the food processing industry. The Indian food processing market size reached INR 28,027.5 billion in 2023 and is projected to reach INR 61,327.5 billion by 2032, exhibiting a growth rate (CAGR) of 9.1% during 2023-2032. Rapid urbanization, the rising consumer preference for processed foods, favorable government initiatives, ongoing technological advancements in food processing, and an evolving retail landscape promoting convenient RTE food

products are among the key factors driving the market growth. The competitive landscape of the food processing market in India is characterized by a diverse mix of players, ranging from large multinational corporations to small and medium-sized enterprises (SMEs) and local players. The market witnesses intense competition as companies vie to capture a significant share in this rapidly growing sector.

India has great potential to become one of the top leaders in the food processing industry as it includes a rich agricultural resource and diverse raw materials. Indian food processing sector is one of the largest in the world and it is expected to reach up to US\$535 billion by 2025. Since the last five years, the annual growth rate is 8.3% and by 2022 food processing sector received US\$11.79 billion in FDI (Foreign Direct Investment). This sector generates employment of 12.32%. India's food processing industry is primarily export oriented. India's exports of processed food were \$5,559.84 Million in 2021-22. The major share of export products was mango pulp, cucumber, processed vegetables, etc.

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

RISKS AND CONCERNS

Growing economies, changing consumer preferences, rising prevalence of health and wellness, and new dietary trends have transformed the need for risk assessment in the food processing industry over the past few years. The industry has grown exponentially and witnesses various challenges, drivers, trends, and risks daily. Industry players have become increasingly aware of the need for cautious and data-driven strategizing and have started investing in risk assessment and risk management strategies to decrease the impact of various factors and industry developments. The food processing industry is highly competitive and easily impacted by external factors. In this challenging industry, being aware of and preparing for the current and upcoming risks can be the differentiator between industry leaders and companies on the other end of the spectrum.

Raw materials used by the Company are agricultural commodities that are subject to volatility due to changes in weather and market conditions.

The Company having its presence in the global food processing industry is exposed to a number of risks such as economic, regulatory, taxation, currency fluctuation and environmental risks. However, the Company has appropriate control mechanism and operating effectiveness to evaluate and mitigate these risks that arise in the natural course of business. Further, exports to specific regions may be severely impacted by protective trade barriers in the form of crippling import duties, anti-dumping duties, countervailing duties or sanctions as the case may be and our export volumes to specific markets could get majorly affected by such restrictive impositions. The ongoing crisis between Russia and Ukraine and other regional geo-political conflicts may also have crippling effect. The red sea crisis and also the elections in USA is also a perceived risk at the moment.

INTERNAL CONTROL SYSTEM, THEIR ADEQUACY AND OPERATIVE EFFECTIVENESS

The Company has devised a comprehensive internal control system effective in protecting all its assets and assuring operational excellence. The internal control framework is commensurate with the type, size, scope, and complexity of operations. The framework enables strict adherence to regulatory compliance and proper documentation of all transactional information. To ensure that transactions are properly authorised, documented and reported the Company has robust and effective internal financial control mechanisms in place. To ensure robustness of operations, the Company conducts internal audits and evaluates them regularly. To guarantee smooth and effective operations, the audit committee is entrusted with the responsibility of establishing and maintaining suitable internal financial controls. The Committee reviews the various issues and material weaknesses highlighted by the Internal and Statutory Auditors, on a periodic basis. Prompt and adequate corrective actions are undertaken as deemed fit to mitigate any risks.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Human resource is considered a crucial asset in the Company. The employees have meaningfully contributed in the organizational growth journey and have strived hard to help it achieve a coveted market position. The Company duly recognizes the zest and efforts of its employees with great pride. The Company fosters a safe, productive and progressive workplace culture. The executive leadership is responsible for creating a positive work environment. The policies of the Company are focused on the core thrust areas of becoming the employer of choice, fostering an inclusive culture, developing a strong talent pipeline, and enhancing the Company's strengths. The Company's HR policies are aimed at providing professional growth opportunities while striving

to align personal goals with organizational goals. For this, various programmes are conducted like individual training, skill upgradation, an employee friendly environment, and equal opportunities. The Company has built a diverse and inclusive work place over the years through focus on enhancing leadership skills and providing a respectful workplace. The core competencies for strong and effective leadership govern the leadership development framework. As of March 31, 2024, the Company had a permanent workforce of 493 employee. The Company's industrial relations continued to be harmonious during the year under review.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

The Company recognises its responsibility towards the environment beyond legal and regulatory requirements and is committed to reducing its impact and continually improving its environmental performance as an integral part of its business strategy and operating methods. Further, the Company gives utmost importance to the health and safety of its workers and the environment it operates in. The Company provides a clean, hygienic and safe working environment to its employees and provides them with appropriate training to carry out their duties safely. Prevention of safety-related incidents is one of Company's highest priorities. The Company strictly adheres to all EHS-related laws and regulations. Specialized teams are responsible for monitoring workplace safety at production facilities. Open communication enables the Company to ensure zero hazards at the workplace.

ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE

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

A. FINANCIAL CONDITIONS

The composition and growth of assets was as under:

[Rs. in lacs]

Particulars	March 31, 2024	March 31, 2023	Growth %
Land & Investment Property	1397.81	1397.81	-
Buildings	8020.13	8010.16	0.12
Plant & Equipment's	25566.57	20700.96	23.50
Electrical Fittings & Installations	1559.99	1458.67	6.95
Office Equipment's	415.97	412.80	0.77
ERP Software	32.49	32.49	-
Furniture & Fixtures	106.46	105.34	1.06
Vehicles	239.24	204.15	17.19
Right of use assets	258.99	233.35	10.99
Total	37597.65	32555.73	
Less: Acc. Depreciation	10781.88	9148.52	
Add: CWIP	221.75	4873.27	
Net Fixed Assets	27037.52	28280.48	

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, 2024		Year ended March 31, 2023	
	Amount	%	Amount	%
INCOME	12128.15	99.67		
Revenue from operations	40.54	0.33	11732.60	99.50
Other income	12168.69	100.00	58.33	0.50
Total Revenue			11790.93	100.00
EXPENDITURE				
Raw Material Consumed	3637.80	29.89	2912.77	24.70
Purchase of Stock in Trade	0.73	0.01	231.30	1.96
(Increase)/Decrease in stock	(989.37)	(8.13)	(947.67)	(8.04)
Change in Inventory of Biological Assets	(8.12)	(0.07)	2.90	0.03
Gain in Change in fair value of Biological Assets	(2.67)	(0.02)	(3.08)	(0.03)
Manufacturing Exp.	4897.58	40.25	4009.18	34.00
Payment & Benefit to Emp.	2596.02	21.33	2065.40	17.52
Administrative, Selling & Other Expenses	2214.47	18.20	2349.31	19.93
OPERATING EXPENSES	12346.44	101.46	10620.11	90.07
EBDIT	(177.75)	(1.46)	1170.82	9.93

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 2023-24	FY 2022-23	Change	Reason for change
Debt Equity Ratio	3.49	2.31	51.1%	The significant Change in these ratios is due to the additional borrowings raised by the Company during the year for stabilization of new Project at Kirishnagiri, Tamil Nadu which was completely capitalised on 31.05.2023. Further, as the capacity was not fully utilized and due to this turnover was also less than the Expected, which resulted in net losses during the year.
Debt Service Coverage Ratio	(0.20)	0.66	-130.3%	
Return on Equity	(29.3)	-9.8	198.0%	The significant Change in these ratios is due to reason, the capacity was not fully utilized in the new Project at Kirishnagiri, Tamil Nadu, due to which turnover was also less than the Expected. This has resulted in net losses during the year.
Trade Payables Turnover Ratio	1.59	2.18	-27.1%	Change is due to increase in Closing Stock which is due to Low sale Volumes in comparison to Estimations. This is because of stabilization of new Project at Kirishnagiri, Tamil Nadu during the year.
Net-Profit Ratio	(21.6)	(9.34)	131.4%	The significant Change in these ratios is due to reason, the capacity was not fully utilized in the new Project at Kirishnagiri, Tamil Nadu, due to which turnover was also less than the Expected. This has resulted in net losses during the year.
Return on Capital Employed	(6.19)	(2.49)	148.6%	a) The significant Change in these ratios is due to the additional borrowings raised by the Company during the year for stabilization of new Project at Kirishnagiri, Tamil Nadu which was completely capitalised on 31.05.2023. Further, as the capacity was not fully utilized and due to this turnover was also less than the Expected, which resulted in net losses during the year. b) The significant Change in these ratios is due to reason, the capacity was not fully utilized in the new Project at Kirishnagiri, Tamil Nadu, due to which turnover was also less than the Expected. This has resulted in net losses during the year.
Net Capital Turnover ratio	(28.35)	16.45	-272.3%	

**SECRETARIAL COMPLIANCE REPORT OF M/s. FLEX FOODS LIMITED
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024**

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

- a) all the documents and records made available to me 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 Report, for the financial year ended **31st March, 2024** (“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 and Sweat Equity) Regulations, 2021; – **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 Non-Convertible Securities) Regulations, 2021 – **Not applicable as the Company has not issued any Non-Convertible Securities during the year under review.**
- g) 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: **NIL**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.					

(b) The listed entity has taken the following actions to comply with the observations made in previous reports: **NIL**

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous report	Observations made in the Secretarial Compliance Report for the year ended (The year to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation/deviations and actions taken/ penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comment as of the PCS on the actions taken by the listed entity

I, hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	--YES--	
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	--YES-- --YES--	
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website 	--YES— --YES— --YES--	
4.	Disqualification of Director: None of the Director(s) of the Listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	--YES--	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: <ul style="list-style-type: none"> Identification of material subsidiary companies Disclosure requirement of material as well as other subsidiaries. 	--NA-- --NA--	There is no Subsidiary
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	--YES--	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees during the financial year as prescribed in SEBI Regulations.	--YES--	
8.	Related Party Transactions: <ul style="list-style-type: none"> The listed entity has obtained prior approval of Audit Committee for all related party transactions; In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit Committee. 	--YES— --NA--	There is no such transaction(s).

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations,2015 within the time limits prescribed thereunder.	--YES--	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	--YES--	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder (or) The action taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	--YES--	
12	Resignation of Statutory auditors from the listed entity or its material subsidiaries In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by the listed entities.	-NA-	There is no resignation of Auditor
13	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc. except as reported above	--YES--	

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place : Delhi
Date : 27th May, 2024

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870::C P No.: 1999
Peer review certificate no. 727/2020
UDIN No.: F002870F000452220

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 2024, 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 notes to the financial statements, including material accounting policy information 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, 2024, and the losses 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, 2024 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, 2023 to evaluate whether any change was required to management’s position on these uncertainties.</p>
2	<p><i>Capitalization of Property, Plant and Equipment (PPE)</i></p> <p>The Company continues to invest in significant capital projects with capital expenditure during the current year.</p> <p>The significant level of capital expenditure requires consideration of the determination of the timing of asset ready for its intended use by the management and the nature of costs incurred to ensure that capitalisation of Property, Plant and Equipment meets the specific recognition criteria in Ind AS 16, ‘Property, Plant and Equipment’, specifically in relation to assets constructed / installed by the Company and the direct incidental cost capitalised with the Property, Plant and Equipment.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Examined the useful economic lives with reference to the Company’s historical experience, intended use and expected number of shifts PPE will be used and • Assessed the nature of the additions made to Property Plant and Equipment in compliance with Ind AS – 16 on ‘Property, Plant and Equipment’. • Obtained an understanding and assessed the design, implementation and operating effectiveness of controls in respect of the timing and amounts capitalised with the Property, Plant and Equipment;

Sr. No	Key Audit Matters	Auditor response
	<p>Due to the above, capitalisation of Property, Plant and Equipment involves the risk of material misstatement as a result of the long-term nature and complexity of the specific projects and hence has been identified as Key Audit Matter.</p>	<ul style="list-style-type: none"> • Performed substantive analytical procedures assessing the nature of Property, Plant and Equipment capitalised by the Company to verify the validity of amounts capitalised and evaluating whether assets capitalised meet the recognition criteria set out in Ind AS 16. • Performed substantive analytical procedures assessing the nature of Property, Plant and Equipment capitalised by the Company to verify the validity of amounts capitalised and evaluating whether assets capitalised meet the recognition criteria set out in Ind AS 16.
3	<p>Revenue Recognition</p> <p>The Revenues of the Company consists primarily of sale of products.</p> <p>The Company assesses the activities promised in a contract and identifies distinct performance obligations in the contract, where applicable. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgment.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluation and testing of the design and operating effectiveness of the relevant business process controls, inter-alia controls over the capture, measurement, and authorization of revenue transactions. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures: • Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents. • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. <p>Considering any trade discount/ volume discount given to the customer as adjustment to sales consideration and verifying the control process adopted by the company in recognizing the same in financial statement in accordance with Ind AS 115.</p>

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 the Companies (Auditor's Report) Order, 2020 ("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 "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 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 B";
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations 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.
 - iv.
 - a) The management has represented, that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any other persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (b) contain any material mis-statement.
 - v) The final dividend proposed in the previous year, declared and paid by the company during the year, is in compliance with Section 123 of the Act.
 - vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
3. As required by The Companies (Amendment) Act, 2017, In our opinion and to the best of our information and according to the explanations given to us , the remuneration paid/ provided by the company to its director during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V of the Act.

For MJMJ & Associates LLP

Chartered Accountants

Firm Registration No. 027706n/C400013

Place : Noida

Dated : 27.05.2024

Megha Jain

Partner

Membership No. 415389

UDIN No. 24415389BKAETY7794

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODS LIMITED” ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date of “FLEX FOODS LIMITED” (‘the Company’) for the year Ended on 31st March 2024, we report that:

i. In respect of Property, Plant and Equipment and Intangible assets of the Company:

- a) A. According to information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- B. According to information and explanation given to us, the Company has maintained proper records showing full particulars of Intangible Assets.
- b) According to information and explanation given to us, the Property, Plant & Equipment 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 all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) including investment property are held in the name of the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company hasn’t revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year as the company follows Cost model.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of Inventories of the Company:

- a) 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, In our opinion the coverage and procedure of such verification by the management is appropriate and No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been

sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with banks or financial institution are in agreement with the books of account of the company.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company hasn’t made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- 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, 2020 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, 2020 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 2024 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 31 March 2024 on account of dispute are given below:

Disputed Customs and Central Excise Dues:-
Aggregate Duty of Rs. 14.70 lakhs pending before Commissioner (Appeals) CGST Dehradun.

- viii. According to the information and explanations given to us and the records of the Company examined by us, the company has not surrendered or disclosed any transaction previously unrecorded as income in the books of account in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. a) 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 loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and the records of the Company examined by us the Company has not been declared as a willful defaulter by bank, financial institution or other lender;
- c) According to the information and explanations given to us and the records of the Company examined by us the term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and the records of the Company examined by us the Company, the funds raised on short term basis have not been utilised for long term purposes.
- e) According to the information and explanations given to us and the records of the Company examined by us the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and the records of the Company examined by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) According to the information and explanations given to us and the records of the Company examined by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provision of clause (x)(a) of Para 3 of the Companies (Auditor's Report) Order, 2020 is not applicable to the company.
- b) According to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provision of clause (x)(b) of Para 3 of the Companies (Auditor's Report) Order, 2020 is not applicable to the company.
- xi. a) According to the information and explanations given to us and the records of the Company examined by us, there is no fraud by the company or any fraud on the company has been noticed or reported during the year.
- b) According to the information and explanations given to us and the records of the Company examined by us, there is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government,
- c) According to the information and explanations given to us and the records of the Company examined by us, there are no whistle-blower complaints received during the year by the company.
- 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, 2020 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. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date for the period under audit.
- 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 section 192 of clause (xv) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- xvi. a) 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. Therefore, the provisions of clause (xvi)(a) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- b) According to the information and explanations given to us and the records of the Company examined by us, the company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to hold Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi)(b) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- c) According to the information and explanations given to us and the records of the Company examined by us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions

of clause (xvi)(c) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

- d) According to the information and explanations given to us and the records of the Company examined by us, The company does not have any CIC in the group. Therefore, the provisions of clause (xvi)(d) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

xvii. According to the information and explanations given to us and the records of the Company examined by us, the Company has incurred cash losses in the financial year amounting to Rs. 1983.67 Lakhs and company has not incurred cash loss in the immediately preceding financial year.

xviii. There has not been any resignation of the statutory auditors during the year. Therefore, the provisions of clause (xviii) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

xix. According to the information and explanations given to us and the records of the Company examined by us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion there is

no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balancesheet date will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and the records of the Company examined by us, there is no unspent amount under sub-section (5) of section 135 of Companies Act, pursuant to any project. Therefore, the provisions of clause (xx)(a) and (xx)(b) of Para 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

For MJMJ & Associates LLP

Chartered Accountants

Firm Registration No. 027706n/C400013

Place : Noida

Megha Jain

Dated : 27.05.2024

Partner

Membership No. 415389

UDIN No. 24415389BKAETY7794

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF “FLEX FOODSLIMITED” FOR THE YEAR ENDED 31STMARCH 2024

Referred to in paragraph1(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 31stMarch 2024 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 31stMarch 2024, 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

Place : Noida

Megha Jain

Dated : 27.05.2024

Partner

Membership No. 415389

UDIN No. 24415389BKAETY7794

BALANCE SHEET AS AT 31ST MARCH, 2024
(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
I ASSETS			
1 Non-Current Assets			
a) Property, Plant and Equipment	2(A)	26,555.61	23,172.69
b) Capital work-in-progress	2(B)	204.05	4,855.58
c) Investment Property	2(C)	1.17	1.17
d) Intangible assets	2(D)	-	-
e) Right of Use Assets	2(E)	258.99	233.35
f) Intangible Assets under development	2(F)	17.70	17.70
g) Financial assets			
i) Loans	3(A)	-	-
ii) Other financial assets	4(A)	307.56	185.53
h) Deferred Tax Assets(Net)	15	711.86	-
i) Other Non-Current Assets	5(A)	2.42	35.96
Total Non-Current Assets		28,059.36	28,501.98
2 Current Assets			
a) Inventories	6	4,642.52	3,624.43
b) Biological Asset	7	61.67	53.55
c) Financial assets			
i) Trade Receivables	8	3,788.33	2,992.48
ii) Cash and Cash Equivalents	9	93.49	221.53
iii) Bank Balances other than (ii) above	10	64.53	76.76
iv) Loans	3(B)	1.42	3.57
v) Other financial assets	4(B)	54.82	64.27
d) Current Tax Assets (Net)	18	3.84	53.95
e) Other Current Assets	5(B)	2,475.74	2,300.30
Total Current Assets		11,186.36	9,390.84
TOTAL ASSETS		39,245.72	37,892.82
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11(A)	1,245.00	1,245.00
b) Other equity	11(B)	6,280.37	8,957.08
Total Equity		7,525.37	10,202.08
Liabilities			
1 Non-current Liabilities			
a) Deferred Government Grants	12	157.69	177.31
b) Financial liabilities			
i) Borrowings	13(A)	19,661.78	18,279.56
ii) Lease Liabilities		130.80	170.50
c) Provisions	14(A)	160.39	143.50
d) Deferred Tax Liabilities(Net)	15	-	218.69
Total Non-current Liabilities		20,110.66	18,989.56
2 Current Liabilities			
a) Financial liabilities			
i) Borrowings	13(B)	6,429.29	5,074.78
ii) Lease Liabilities		45.40	43.00
iii) Trade Payables:	16		
Total Outstanding dues of micro enterprises and small enterprises		994.07	484.09
Total Outstanding dues of creditors other than micro enterprises and small enterprises		1,625.93	1,413.94
iv) Other financial Liabilities	17	1,226.43	743.12
b) Other current liabilities	19	725.44	476.81
c) Provisions	14(B)	563.13	465.44
d) Current tax liabilities(Net)	18	-	-
Total Current Liabilities		11,609.69	8,701.18
TOTAL EQUITY AND LIABILITIES		39,245.72	37,892.82

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS
1-41

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

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida

Dated : 27th May, 2024

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2024	For the year ended 31.03.2023
Income			
I Revenue from Operations	20	12,128.15	11,732.60
II Other Income	21	40.54	58.33
III Total Income		12,168.69	11,790.93
IV Expenses			
Cost of Materials Consumed	22	3,637.80	2,912.77
Purchases of Stock in Trade		0.73	231.30
Changes in inventories of Finished Goods, Work-In-Progress & Stock-in-Trade	23(A)	(989.37)	(947.67)
Changes in inventory of Biological Asset	23(B)	(8.12)	2.90
Gain from Change in Fair Value of Biological Assets	7	(2.67)	(3.08)
Employee benefits expenses	24	2,596.02	2,065.40
Finance Cost	25	1,722.93	1,606.33
Depreciation and Amortization Expenses	2(A), (C), (D) & (E)	1,623.11	964.22
Manufacturing Expenses	26	4,897.58	4,009.18
Administration and Selling Expenses	27	2,214.47	2,349.31
Total Expenses		15,692.48	13,190.66
V Profit/(Loss) before tax (III-IV)		(3,523.79)	(1,399.73)
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred Tax Assets		(930.55)	(353.37)
(Add): Excess Provision of Income Tax for earlier year		-	13.40
Total Tax Expenses (VI)		(930.55)	(339.97)
VII Profit/(Loss) for the Period (V-VI)		(2,593.24)	(1,059.76)
VIII Other Comprehensive Income			
<i>Item that will not be reclassified to Profit or Loss</i>			
Remeasurement of the net Defined benefit liability/ Assets		(21.22)	(0.17)
Less: Income Tax on Other Comprehensive Income		-	-
Total Comprehensive Income for the period (VII+VIII)		(2,614.46)	(1,059.93)
IX Earnings per equity share:			
(1) Basic	28	(20.83)	(8.51)
(2) Diluted	28	(20.83)	(8.51)
X NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41			

For and on behalf of the Board of Directors

This is the Profit & Loss referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN - 00023452

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 27th May, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		(3,523.79)	(1,399.73)
Adjustments for :			
Depreciation and Amortization		1,633.47	998.62
Deferred Income on Capital Subsidy		(19.62)	(17.36)
Exchange Rate Fluctuations (Net)		-	(250.59)
Interest expenses		1,722.93	1,606.33
Provision for doubtful debts		-	-
Sundry Debit Balances Written Off		12.46	13.00
Sundry Credit Balances Written Back		(2.66)	(2.59)
Loss/(Profit) on Sale of Fixed Assets (Net)		-	(0.88)
Interest Income		(22.82)	(45.46)
Operating Profit before Working Capital Changes		<u>(200.03)</u>	<u>901.34</u>
Adjustments for :			
(Increase)/Decrease in Inventories		(1,018.09)	(1,687.02)
(Increase)/Decrease in Inventories of Biological Asset		(8.12)	2.90
(Increase)/Decrease in Trade Receivables, Current Financial Assets & Other Current Assets		(919.38)	(1,109.76)
(Increase)/Decrease in Non Current Financial Assets & Other Non Current Assets		(88.49)	1,813.21
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities & Current Provisions		887.88	583.47
Increase/(Decrease) in Non Current Provisions		16.89	6.37
		<u>(1,329.34)</u>	<u>510.51</u>
Cash Generated From Operating activities			
Income Tax paid		-	(67.35)
Exchange Rate Fluctuations (Net)		-	250.59
Net Cash Generated From Operating Activities		<u>(1,329.34)</u>	<u>693.75</u>
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment, Capital Work-In -Progress & Investment property		(364.87)	(8,888.58)
Capital Subsidy Received During The Year		-	47.05
Proceeds from Sale of Property ,Plant & Equipment		0.01	2.18
Interest Received		22.82	45.46
Net cash used in Investing Activities		<u>(342.04)</u>	<u>(8,793.89)</u>
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds /(Repayment) of non Current Borrowing (Net)		1,382.22	7,672.84
Proceeds from Current Borrowing (Net)		1,354.51	811.43
Dividend Paid		(62.25)	(124.50)
Lease Liability		(62.94)	(23.28)
Interest & Finance charges		(1,080.43)	(1,502.13)
Net cash used in Financing Activities		<u>1,531.11</u>	<u>6,834.36</u>
Net increase in Cash & Cash Equivalents	(I+II+III)	<u>(140.27)</u>	<u>(1,265.78)</u>
Cash & Cash Equivalents at beginning of the year	9 & 10	298.29	1,564.07
Cash & Cash Equivalents at end of the year #	9 & 10	<u>158.02</u>	<u>298.29</u>

Note:

Includes Rs.64.53 lacs (Previous Year Rs.76.76 lacs) in respect of amount lying in unclaimed dividend account, Demand Deposits more than 3 months, margin money for bank guarantee & Letter of credit

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41

For and on behalf of the Board of Directors

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

Ashok Chaturvedi
Chairman
DIN - 00023452

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 27TH May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. In Lacs)

Particulars	Equity Share Capital	Other equity			Total	Total Equity & Other Equity
		Reserve & surplus		Other Comprehensive Income		
		Retained Earnings	General Reserve			
Balance as at April 1,2023	1,245.00	8,019.97	1,007.84	(70.73)	8,957.08	10,202.08
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Changes in equity during the year						
Dividend Paid		(62.25)	-	-	(62.25)	(62.25)
Remeasurement of the net defined benefit liability/assets, (net of tax)		-	-	(21.22)	(21.22)	(21.22)
Profit for the Period	-	(2,593.24)	-	-	(2,593.24)	(2,593.24)
Balance as at March 31,2024	1,245.00	5,364.48	1,007.84	(91.95)	6,280.37	7,525.37
Balance as at April 1,2022	1,245.00	9,204.23	1,007.84	(70.56)	10,141.51	11,386.51
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Changes in equity during the year						
Dividend Paid	-	(124.50)	-	-	(124.50)	(124.50)
Remeasurement of the net defined benefit liability/assets, (net of tax)	-	-	-	(0.17)	(0.17)	(0.17)
Profit for the Period	-	(1,059.76)	-	-	(1,059.76)	(1,059.76)
Balance as at March 31,2023	1,245.00	8,019.97	1,007.84	(70.73)	8,957.08	10,202.08

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41

For and on behalf of the Board of Directors

This is the Statement of Changes in Equity referred to in our report of even date attached

Ashok Chaturvedi
Chairman
DIN - 00023452

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary

Naval Duseja
Chief Financial Officer

Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 27th May, 2024

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1 COMPANY OVERVIEW & MATERIAL 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 MATERIAL 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 (Indian Accounting Standards) Rules 2015 as amend from time to time by the ministry of corporate affairs, 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 Indian accounting standard is initially adopted or a revision to an existing Indian 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 of company are presented in Indian Rupees (INR) rounding off to nearest Lacs.

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.

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. . Export sales are recognised on the date as per terms of sale and are recorded at the relevant exchange rates prevailing on the date of the transaction.
- (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.

Depreciation on all property, plant & equipment except Land & Intangible Assets are provided for from the date of available for 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 Property, Plant and Equipment as determined by the management., except for the following, where the management believes that technical useful lives is different from those prescribed in Schedule II of the Company Act, 2013 based on technical evaluation

Particulars	Description
Plastic Crate JR-85425 (useful life of 6 Years)	Over the useful life as technically specified by the management based on the past experience

Depreciation/Amortization on addition /deletions to Property, Plant and Equipment is provided on pro-rata basis from/to the date of addition/deletions.

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.

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 available for use on a straight-line basis.
- (ii) Intangible assets in respect of Product development is created when the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use the product / technology and the cost is reliably measurable. Revenue expenditures pertaining to Research is charged to the statement of profit & loss. Development costs of products are charged to the statement of profit & loss unless a products technological and commercial feasibility has been established in which case such expenditure is capitalized.
- (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 property is initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any.
- (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. The investment property primarily consists of Land.
- (iii) 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.
- (iv) The fair value of the investment properties are disclosed in the note.

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, Right to use assets, Repair & Maintenance on Factory Building, specific Manufacturing expenses including 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, Right to use assets, 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. For fair valuation of biological assets, rooms under production on last date of reporting period is considered for valuation of biological asset. From the start date of crop of each room under production, an anticipated production quantity is taken. Rate per kg of fresh mushroom sold in the market on the last date of the reporting period is considered for valuation of the total anticipated production. Expenditure to be incurred, on anticipated production is measured. Value of Biological assets is recognized, net of the expenditure to be incurred.

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:

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

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.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

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 Indian accounting standard and
- b) impairment for trade receivables, which is estimated for amounts not expected to be collected in full.

All Trade receivables are subsequently stated at amortised cost.

M. LOANS AND ADVANCES

Loans and advances are non-derivative financial assets with fixed and determinable payments. This category includes the loans, 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.

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 Company 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 relate 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 employee's 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, investment property and 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 of disposal 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, Office building and equipment's. 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. 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 incremental borrowing rates of the Company.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

For Short Term Leases and leases for which underlying asset is of low value, Lease payments are recognized as an expense on a straight-line basis over a lease term.

Refundable security deposit on leases are discounted and shown at present value using the incremental borrowing rates of the Company at the time of initial recognition. The difference between the present value and security deposit paid forms the part of Right of use assets.

T. PROVISIONS AND CONTINGENT LIABILITIES

- (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.
- (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.

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 Central Board of Indirect Taxes and Customs 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. The gain or loss resulting from the translation is recognized in the statement of profit & loss. 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 arise 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) Exchange 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 available for 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. GOVERNMENT GRANTS

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.

W. 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".

X. CLAIMS BY/AGAINST THE COMPANY

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

Y. 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.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No-2(A) Property, Plant and Equipment

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE			
		As At 01-04-2023	Additions/Adjustment During the Year	Deductions/Adjustment During the Year	As At 31-03-2024	As At 01-04-2023	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2024	As At 31-03-2024	As At 31-03-2023
1	Freehold Land	1,396.64	-	-	1,396.64	-	-	-	-	1,396.64	1,396.64
2	Building	7,949.60	9.97	-	7,959.57	1,384.11	294.06	1,678.17	1,678.17	6,281.40	6,565.49
	-Factory	60.56	-	-	60.56	40.48	0.83	41.31	41.31	19.25	20.08
	-Administration	20,700.96	4,865.61	-	25,566.57	7,060.79	1,113.20	8,173.99	8,173.99	17,392.58	13,640.17
3	Plant & Equipment	105.34	1.12	-	106.46	24.26	9.14	33.40	33.40	73.06	81.08
4	Furnitures & Fixtures	204.15	35.09	-	239.24	83.49	17.99	101.48	101.48	137.76	120.66
5	Vehicles	412.80	3.29	0.12	415.97	133.07	67.76	200.72	200.72	215.25	279.73
6	Office Equipments	1,458.67	101.32	-	1,559.99	389.83	130.49	520.32	520.32	1,039.67	1,068.84
7	Electrical Installation	32,288.72	5,016.40	0.12	37,305.00	9,116.03	1,633.47	10,749.39	10,749.39	26,555.61	23,172.69
	SUB TOTAL(A)	15,939.74	16,379.33	30.35	32,288.72	8,146.46	998.62	29.05	9,116.03	23,172.69	7,793.28
	PREVIOUS YEAR										

Note No-2(B) Capital work-in-progress

	Capital work-in-progress									204.05	4,855.58
	SUB TOTAL (B)									204.05	4,855.58

Notes:-

- a) Borrowed Fund Capitalised during the year is Rs. 18.78 Lacs (Previous year Rs. 406.05 Lacs). Further, foreign exchange gain adjusted upto the date of capitalisation is Rs.3.194 Lacs (Previous Year- Nil)
- b) Out of total depreciation of Rs. 1633.47 Lacs, depreciation of Rs.1623.11 Lacs is transferred to P&L A/C and Rs. 10.36 Lacs is transferred to Pre-operative Expense. (P.Y-Out of total depreciation of Rs. 998.62 Lacs, depreciation of Rs. 964.22 Lacs is transferred to P&L A/C and Rs. 34.40 Lacs is transferred to Pre-operative Expense).

Note No-2(C) Investment Property

Sr. No.	Particulars	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION			NET CARRYING VALUE			
		As At 01-04-2023	Additions/Adjustment During the Year	Deductions/Adjustment During the Year	As At 31-03-2024	As At 01-04-2023	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2024	As At 31-03-2024	As At 31-03-2023
1	Freehold Land	1.17	-	-	1.17	-	-	-	-	1.17	1.17
	TOTAL	1.17	-	-	1.17	-	-	-	-	1.17	1.17
	PREVIOUS YEAR	1.17	-	-	1.17	-	-	-	-	1.17	1.17

Notes:-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- a) Fair value of the investment property is of Rs 83.77 lacs as valued by Independent government approved valuer and engineer.
b) No amount have been recognised in Profit and Loss account related to Investment Property during the year.

Note No-2(D) Intangible assets

Sr. No.	Particulars	GROSS CARRYING VALUE		DEPRECIATION/AMORTISATION		NET CARRYING VALUE				
		As At 01-04-2023	Additions/Adjustment During the Year	As At 31-03-2024	As At 01-04-2023	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2024	As At 31-03-2024	As At 31-03-2023
1	Software	32.49	-	32.49	32.49	-	-	32.49	-	-
	TOTAL	32.49	-	32.49	32.49	-	-	32.49	-	-
	PREVIOUS YEAR	32.49	-	32.49	32.49	-	-	32.49	-	-

Note No-2(E) Right of use Assets

Sr. No.	Particulars	GROSS CARRYING VALUE		DEPRECIATION/AMORTISATION		NET CARRYING VALUE				
		As At 01-04-2023	Additions/Adjustment During the Year	As At 31-03-2024	As At 01-04-2023	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2024	As At 31-03-2024	As At 31-03-2023
1	Plant & Equipment#	233.35	25.64	258.99	-	-	-	-	258.99	233.35
	TOTAL	233.35	25.64	258.99	-	-	-	-	258.99	233.35
	PREVIOUS YEAR	-	233.35	233.35	-	-	-	-	233.35	-

*The company has not charged depreciation on Right of use Assets as the assets are on Trial run as on the date of balancesheet

Note No-2(F) Intangible assets under development

Sr. No.	Particulars	GROSS CARRYING VALUE		DEPRECIATION/AMORTISATION		NET CARRYING VALUE				
		As At 01-04-2023	Additions/Adjustment During the Year	As At 31-03-2024	As At 01-04-2023	Provided During the Year	Deduction/Adjustment During the Year	Upto 31-03-2024	As At 31-03-2024	As At 31-03-2023
	Intangible assets under development	17.70	-	-	-	-	-	-	17.70	17.70
	TOTAL	17.70	-	-	-	-	-	-	17.70	17.70
	PREVIOUS YEAR	-	-	-	-	-	-	-	17.70	-

Depreciation and Amortisation on:	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023
Property, Plant and Equipment	1,633.47	998.62
Investment Property	-	-
Intangible assets	-	-
Right of use assets	-	-
Adjustment for pre-operative Expenses	(10.36)	(34.40)
Net Amount transfer to statement of Profit & Loss	1,623.11	964.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

3 LOANS	(Rs. In Lacs)	
Particulars	As At 31.03.2024	As At 31.03.2023
A Non-Current		
(Unsecured, Considered Good)		
a) Loans/Advances to Employees	-	-
Total (A)	<u>-</u>	<u>-</u>
B Current		
(Unsecured, Considered Good)		
a) Loans/Advances to Employees	1.42	3.57
Total (B)	<u>1.42</u>	<u>3.57</u>
Total (A+B)	<u>1.42</u>	<u>3.57</u>
4 OTHER FINANCIAL ASSETS		
A Non-Current		
(Unsecured, Considered Good)		
a) Security Deposits	306.98	185.53
b) Margin Money with maturity after 12 months	0.58	-
	<u>307.56</u>	<u>185.53</u>
B Current		
(Unsecured, Considered Good)		
a) Security Deposits	51.24	52.75
b) Interest Recoverable		
i) On Fixed Deposits with Banks	3.10	4.66
ii) Others	0.48	6.86
Total	<u>54.82</u>	<u>64.27</u>
Total (A+B)	<u>362.38</u>	<u>249.80</u>
5 OTHER ASSETS		
A Non-Current		
a) Capital Advances	2.42	35.96
b) Income Tax Refund (Net)	-	-
Total (A)	<u>2.42</u>	<u>35.96</u>
B Current		
a) Advances Recoverable in Cash or In kind or for Value to be Received	511.59	235.58
b) Balances with GST Authorities	1,907.75	2,009.37
c) Balances with Excise Authorities	1.06	0.01
d) Income Tax Assets (Net)	55.34	55.34
Total (B)	<u>2,475.74</u>	<u>2,300.30</u>
Total (A+B)	<u>2,478.16</u>	<u>2,336.26</u>
6 INVENTORIES		
a) Raw Material	101.28	149.25
b) Work-in-progress	679.69	697.04
c) Finished Goods	3,706.77	2,551.75
d) Stock in Trade	1.71	27.87
e) Stores & Spares	91.08	114.32
f) Packing Material	61.99	84.20
Total	<u>4,642.52</u>	<u>3,624.43</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

7 BIOLOGICAL ASSETS (Rs. In Lacs)

Particulars	As At	As At
	31.03.2024	31.03.2023
Current		
Mushroom Under cultivation	61.67	53.55
	61.67	53.55
Reconciliation of changes in carrying amount of Biological Assets		
Opening balance	53.55	56.45
Add: Gain arising from change in fair value	2.67	3.08
Add: Increase due to physical changes / transfer from immature	2,134.15	2,017.40
Less: Decrease due to harvest	(2,128.70)	(2,023.38)
Closing Balance	61.67	53.55

The company had stock 64.50 MT of Mushroom (Previous Year 55.80 MT). During the year output of Agricultural Produced (Mushroom) is 2032.15 MT (Previous Year 1837.76 MT).

8 TRADE RECEIVABLES

Current

Unsecured

Considered Good	3,788.33	2,992.48
Credit Impaired	8.40	8.40
	<u>3,796.73</u>	<u>3,000.88</u>
Less: Allowances for bad and doubtful trade receivables	8.40	8.40

Total 3,788.33 2,992.48

Movements in allowance for bad and doubtful Trade receivable:

Opening Balance	8.40	8.40
(+) Provision made during the year	-	-
(-) Amount utilised from provision	-	-
Closing Balance	<u>8.40</u>	<u>8.40</u>

Trade Receivable Ageing Schedule as at 31.03.2024

Particulars	Un Billed	Not Due as on 31.03.2024	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	3,716.04	72.29	-	-	-	-	3,788.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	8.40	8.40
TOTAL	-	3,716.04	72.29	-	-	-	8.40	3,796.73
Less: Provision for doubtful trade receivable								8.40
Total Trade Receivable								<u>3,788.33</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Trade Receivable Ageing Schedule as at 31.03.2023

Particulars	Un Billed	Not Due as on 31.03.2023	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	2,900.83	91.65	-	-	-	-	2,992.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	8.40	8.40
TOTAL	-	2,900.83	91.65	-	-	-	8.40	3,000.88
Less: Provision for doubtful trade receivable								8.40
Total Trade Receivable								2,992.48

9 CASH & CASH EQUIVALENTS

(Rs. In Lacs)

Particulars	As At 31.03.2024	As At 31.03.2023
Cash and Cash Equivalents		
i) Balances with Banks (in Current accounts)	80.93	212.11
ii) Demand deposits with maturity before 3 months	-	4.43
iii) Margin Money	-	-
iv) Cash on Hand	9.52	3.43
v) Cash on Hand-Foreign Currency	3.04	1.56
Total	93.49	221.53

10 BANK BALANCES OTHER THAN ABOVE

i) Demand deposits with maturity after 3 months	-	3.87
ii) Earmarked Balances		
- Unclaimed Dividend Account	34.88	51.45
iii) Margin Money*	29.65	21.44
Total	64.53	76.76

* Out of total margin money of Rs. 29.65 Lacs, margin money of Rs. 17.94 Lacs is Pledged against guarantee(PY- Out of total margin money of Rs. 21.44 Lacs, margin money of Rs. 3.50 Lacs is pledged against Letter of credit and Rs. 17.94 Lacs is Pledged against guarantee)

11(A) EQUITY SHARE CAPITAL

(i) Share Capital	As At 31.03.2024		As At 31.03.2023	
	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
		2,000.00		2,000.00
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	1,24,50,000	1,245.00	1,24,50,000	1,245.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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 31.03.2024		As At 31.03.2023	
	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.

(vi) Disclosure of shareholding of Promoters

a) Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

S. No.	Promoter Name	AS AT 31.03.2024		AS AT 31.03.2023		% Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	UFLEX Limited	58,70,000	47.15	58,70,000	47.15	-
2	Anshika Investment Pvt.Ltd.	12,52,630	10.06	12,52,630	10.06	-
3	Anshika Consultants Pvt.Ltd.	1,50,000	1.20	1,50,000	1.20	-
4	Rashmi Chaturvedi	45,010	0.36	45,010	0.36	-
5	Flex International Pvt. Ltd.	32,756	0.26	32,756	0.26	-
6	A R Leasing Pvt. Ltd.	4,000	0.03	4,000	0.03	-
7	Ashok Kumar Chaturvedi	7,610	0.06	7,610	0.06	-
8	A.L. Consultants Private Limited	78,685	0.63	78,685	0.63	-
9	Magic Consultants private Limited	10,500	0.08	10,500	0.08	-
Total		74,51,191	59.85	74,51,191	59.85	0.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
b) Public:

S. No.	Public	AS AT 31.03.2024		AS AT 31.03.2023		% Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	Shareholding of public more than 5%	-	-	-	-	-
2	Shareholding of public less than 5%	49,98,809	40.15	49,98,809	40.15	-0.00%
Total		49,98,809	40.15	49,98,809	40.15	-0.00%

11(B) OTHER EQUITY

(Rs. In Lacs)

Particulars	Reserve & surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve		
Balance as at April 1,2023	8,019.97	1,007.84	(70.73)	8,957.08
Changes in equity during the year				
Transfer to General Reserve	-	-	-	-
Dividend Paid	(62.25)	-	-	(62.25)
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(21.22)	(21.22)
Profit for the Period	(2,593.24)	-	-	(2,593.24)
Balance as at March 31,2024	5,364.48	1,007.84	(91.95)	6,280.37
Balance as at April 1,2022	9,204.23	1,007.84	(70.56)	10,141.51
Changes in equity during the year				
Transfer to General Reserve	-	-	-	-
Dividend Paid	(124.50)	-	-	(124.50)
Remeasurement of the net defined benefit liability/ assets, (net of tax)	-	-	(0.17)	(0.17)
Profit for the Period	(1,059.76)	-	-	(1,059.76)
Balance as at March 31,2023	8,019.97	1,007.84	(70.73)	8,957.08

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

12 DEFERRED GOVERNMENT GRANTS (To the extent pending apportionment to Statement of Profit & Loss)

(Rs. In Lacs)

Particulars	As At 31.03.2024		As At 31.03.2023	
Capital Subsidy on				
a) Individually Quick Frozen and Air Dried Plant	21.06		25.44	
b) Cold Storage (New)	47.66		53.54	
c) Freeze Drying Cabinet	46.55		50.07	
d) Zig Zag Classifier	17.62		18.56	
e) Analytical Instruments (LCMS & GCMS)	44.42	177.31	47.05	194.66
Less: Deferred Income Apportioned to Statement of Profit & Loss				
a) Individually Quick Frozen and Air Dried Plant	4.38		4.38	
b) Cold Storage (New)	5.88		5.88	
c) Freeze Drying Cabinet	3.52		3.52	
d) Zig Zag Classifier	0.94		0.94	
e) Analytical Instruments (LCMS & GCMS)	4.90	19.62	2.63	17.35
Total		157.69		177.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

13 BORROWINGS

Particulars	(Rs. In Lacs)	
	As At 31.03.2024	As At 31.03.2023
(A) Non Current		
Secured		
a) Term Loans:-		
From Banks	13,955.50	15,450.76
	13,955.50	15,450.76
b) Vehicle Loans:-		
From Banks	27.67	-
From Others	42.54	60.48
	70.21	60.48
c) Unsecured Loans:-		
From Related Parties	6,050.00	4,300.00
From Others	1,250.00	-
	7,300.00	4,300.00
Sub- Total (A+B+C)	21,325.71	19,811.24
Less:- Current Portion	1,663.93	1,531.68
Total	19,661.78	18,279.56
(B) Current		
a) Secured		
Working Capital Facilities From Banks: #		
From -Canara Bank	2,074.25	1,725.81
From -Indian Bank, IFB	1,791.11	1,817.29
b) Unsecured		
From Related Parties	900.00	-
From Others	-	-
c) Current maturities of Long term borrowings	1,663.93	1,531.68
Total	6,429.29	5,074.78
Total(A+B)	26,091.07	23,354.34

(Rs. In Lacs)						
Name of the Institution/ Banks/Others	Note No.	Sanctioned amount	O/s as at 31.03.2024	Short Term	Long term	Original Repayment terms
PART A:- TERM LOANS						
Woori Bank	(i)	2,000.00	200.00	200.00	-	Repayable in 10 equal quarterly installments of Rs. 200 lakhs each commencing from 31st January'2022
Previous Year		(2,000.00)	(1,000.00)	(800.00)	(200.00)	
Canara Bank	(ii)	14,150.00	13,808.38	1,453.51	12,354.87	Repayable in 7 years in 28 quarterly ballooning installments commencing from 30th June'2023 (First 4 quarterly Installment Rs. 181.68 lakhs each, next 4 quarterly installment Rs. 363.38 lakhs each, next 12 installments of Rs. 545.07 lakhs each and last 8 installments of Rs. 726.76 lakhs each)
Previous Year		(14,150.00)	(14,521.45)	(726.72)	(13,794.73)	
Less:- adjustment for transaction cost (Pending amortisation)			52.88	13.99	38.89	
Previous Year			(70.69)	(12.99)	(57.70)	
Sub total (A)			13,955.50	1,639.52	12,315.98	
Previous Year			(15,450.76)	(1,513.73)	(13,937.03)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. In Lacs)

Name of the Institution/ Banks/Others	Note No.	Sanctioned amount	O/s as at 31.03.2024	Short Term	Long term	Original Repayment terms
PART B:- VEHICLE LOANS						
Kotak Mahindra Prime Limited	(iii)	40.83	22.97	8.38	14.59	Repayable in 60 equal monthly installments of Rs. 0.81 lakhs each commencing from 1st November'2021 including interest
Kotak Mahindra Prime Limited	(iii)	14.65	8.70	2.96	5.74	Repayable in 60 equal monthly installments of Rs. 0.29 Lakhs each commencing from 1st January'2022 including interest
Kotak Mahindra Prime Limited	(iii)	22.97	10.87	8.04	2.83	Repayable in 36 equal monthly installments of Rs. 0.72 Lakhs each commencing from 1st August'2022 including interest
Canara Bank (Loan No. 161001967938)	(iii)	29.27	27.67	5.03	22.64	Repayable in 60 monthly installments commencing from 14th December'2023 including interest (First installment of Rs.0.62 Lakhs & Next 59 installments of Rs. 0.60 Lakhs)
Sub total (B)			70.21	24.41	45.80	
Previous Year			(60.48)	(17.95)	(42.53)	
Total (A+B)			14,025.71	1,663.93	12,361.78	
Previous Year			(15,511.24)	(1,531.68)	(13,979.56)	
PART C:- UNSECURED LOANS						
Ultimate Flexipack Limited			5,400.00	-	5,400.00	
Uflex Ltd.			1,075.00	900.00	175.00	
Anshika Investments Pvt. Ltd.			475.00	-	475.00	
Refex Energy (Rajasthan) Pvt. Ltd.			1,250.00	-	1,250.00	
Total (C)			8,200.00	900.00	7,300.00	
Previous Year			(4,300.00)	-	(4,300.00)	

- (i) These are secured a) by way of first pari passu charge on the entire movable and immovable fixed assets of the company present as well as future b) second pari passu charge by way of hypothecation on the entire current assets of the company, both present and future c) Personal Guarantee by one of the Director of the company.
- (ii) These are secured a) by the way of first pari passu charge of movable fixed assets-plant and machinery and other specific movable fixed assets (excluding vehicle), present and future along with term lenders b) on Second pari passu charge by way of Hypothecation on entire current assets of the company including stocks of Raw material, WIP, Finished Goods, Stores and Spares, Book Debts and all other current assets (both present and Future) of the company c) personal guarantee of one of the Director of the company, First pari passu charge of company's immovable fixed assets-Land and Building situated at Dehradun (Uttarakhand) and at Devaganapalli, Krishnagiri.
- (iii) Vehicle Loans are secured by way of hypothecation of Specific Vehicles of the Company.

Working capital facilities are secured on first Pari passu charge basis (i) by way of hypothecation of stock and book debts of the company; and (ii) 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 (Chidderewala), Dehradun (Uttarakhand) and at Devaganapalli, Krishnagiri, Tamil Nadu (c) by personal guarantee of one of the Director of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

14 PROVISIONS		(Rs. In Lacs)	
Particulars	As At 31.03.2024	As At 31.03.2023	
A Non-Current			
Provisions for :			
i) Gratuity	-	-	
ii) Leave Encashment	160.39	143.50	
Total	160.39	143.50	
B Current			
Provisions for :			
i) Gratuity	542.20	447.56	
ii) Leave Encashment	20.93	17.88	
Total	563.13	465.44	
Total (A+B)	723.52	608.94	

15 INCOME TAXES

The Gross Movement in the Deferred Tax for the year ended March 31,2024 and March 31, 2023 are as follows

Income Tax Expense in the Statement of Profit and Loss comprise:

Particulars	For The Year ended 31.03.2024	For The Year ended 31.03.2023	(Rs. In Lacs)
Current Income Taxes	-	-	
Deferred Taxes	(930.55)	(353.37)	
Income Tax Expense#	(930.55)	(353.37)	

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	(3,523.79)	(1,399.73)
Enacted Tax Rates in India	25.168%	25.168%
Computed expected tax expense	(886.87)	(352.28)
Tax Reversals	(3.51)	12.36
Effect of Exempted Income	(53.49)	(19.94)
Effect of non-deductible expenses	13.32	6.49
Income Tax Expense	(930.55)	(353.37)

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

Particulars	As At 31.03.2024	As at 31.03.2023
Deferred Tax Assets		
Unused Tax Credits	1,819.92	758.31
Lease Liability	44.35	53.74
Others	452.87	228.03
Total Deferred Tax Assets	2,317.14	1,040.08
Deferred Tax Liabilities		
Excess of book WDV of Property, Plant and Equipment over tax WDV of property, plant and equipment	1,540.10	1,200.05
Right of Use Assets	65.18	58.72
Others	-	-
Total Deferred Tax Liabilities	1,605.28	1,258.77
Deferred Tax Liabilities (Net)	(711.86)	218.69

The Gross Movement in the Deferred Tax for the year ended March 31,2024 and March 31, 2023 are as follows:

Net deferred tax liabilities at the beginning	218.69	572.06
Credits/(charge) relating to temporary differences	(930.55)	(353.37)
Temporary differences on other comprehensive income	-	-
Net Deferred Tax Liabilities at the end	(711.86)	218.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

16 TRADE PAYABLES		(Rs. In Lacs)	
Particulars	As At	As At	
	31.03.2024	31.03.2023	
Total Outstanding dues of creditors other than micro enterprises and small enterprises-Suppliers other than related party	1,547.77	1,391.33	
Total Outstanding dues of micro enterprises and small enterprises	994.07	484.09	
Due to Related Parties	78.16	22.61	
Total	2,620.00	1,898.03	

* 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:

Sr. Particulars	As At	As At
No.	31.03.2024	31.03.2023
1 Principal amount due and remaining unpaid	656.02	129.47
2 Interest due on (1) above and the unpaid interest	42.53	5.81
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 other than (3) above	5.81	Nil
6 Interest accrued and remaining unpaid	42.53	5.81
7 Amount of further interest remaining due and payable in succeeding years	Nil	Nil

Trade Payable Ageing Schedule as at 31.03.2024

Particulars		Un Billed	Not Due as on 31.03.2024	Outstanding for following periods from due date of payment				
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSE	50.08	344.31	639.76	7.56	-	-	1,041.70
(ii)	Others	235.45	738.20	806.20	54.41	2.04	-	1,836.30
(iii)	Disputed dues-MSE	-	2.45	-	-	-	-	2.45
(iv)	Disputed due- Others	-	-	25.08	-	-	-	25.08
TOTAL		285.53	1,084.96	1,471.04	61.97	2.04	-	2,905.53
Less: Unbilled Due								285.53
Total Trade Payable								2,620.00

Trade Payable Ageing Schedule as at 31.03.2023

Particulars		Un Billed	Not Due as on 31.03.2021	Outstanding for following periods from due date of payment				
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSE	28.66	375.31	108.78	-	-	-	512.75
(ii)	Others	100.93	897.58	507.30	8.77	0.29	-	1,514.87
(iii)	Disputed dues-MSE	-	-	-	-	-	-	-
(iv)	Disputed due- Others	-	-	-	-	-	-	-
TOTAL		129.59	1,272.89	616.08	8.77	0.29	-	2,027.62
Less: Unbilled Due								129.59
Total Trade Payable								1,898.03

17 OTHER FINANCIAL LIABILITIES **(Rs. In Lacs)**

Particulars	As At	As At
	31.03.2024	31.03.2023
a) Interest Accrued but not due on borrowings	642.50	100.77
b) Unclaimed Dividend #	34.88	51.45
c) Security Deposit from Customers	11.00	10.10
d) Performance Guarantee	249.44	250.86
e) Capital Creditors	288.61	329.94
Total	1,226.43	743.12

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

18 Current Tax Assets (Net)		(Rs. In Lacs)	
Particulars	As At 31.03.2024	As At 31.03.2023	
a) Advance income tax	-	50.00	
b) TDS Refundable & TCS refundable	3.84	3.95	
Total	3.84	53.95	
Less Provision for Income Tax	-	-	
	3.84	53.95	
Current Tax Liabilities			
Provision for Current Tax (Net)	-	-	
Total	-	-	
19 OTHER LIABILITIES			
Current			
a) Advance Received from Customers	3.65	4.27	
b) Statutory Liabilities	401.21	289.83	
c) Other Liabilities	320.58	182.71	
Total	725.44	476.81	
20 REVENUE FROM OPERATIONS		(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023	
a) Sale of Products	11,999.68	11,345.12	
b) Other Operating Revenues			
i) Export Incentive	71.10	75.47	
ii) Deferred Income on Capital Grant (Government Grant)	19.62	17.36	
iii) Exchange Rate Fluctuation (Net)	-	250.59	
iv) Sale of Miscellaneous Items	37.75	44.06	387.48
Total	12,128.15	11,732.60	
21 OTHER INCOME			
a) Interest Income			
From Banks	4.79	13.50	
From Others	18.03	31.96	45.46
b) Miscellaneous Income	12.44		7.09
c) Sundry credit Balance Written Back	2.66		2.59
d) Profit on Sale of Fixed Assets	-		0.88
e) Interest on Income Tax Refund	2.42		2.31
f) Processing Charge Received	0.20		
Total	40.54		58.33
22 COST OF MATERIAL CONSUMED			
Opening Stock	149.25		181.38
Add: Purchases	3,589.83		2,978.01
	3,739.08		3,159.39
Less: Closing Stock	101.28		149.25
Less: Stock Transfer To Preoperative	-		97.37
Raw Material consumed	3,637.80		2,912.77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

23 A) (INCREASE)/DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE (Rs. In Lacs)

Particulars	For the Year Ended 31.03.2024		For the Year Ended 31.03.2023	
Closing Stock				
Finished Stock	3,706.77		2,551.75	
Work-In-Progress	679.69		697.04	
Stock In Trade	1.71	4,388.17	27.87	3,276.66
Opening Stock				
Finished Stock@	2,673.89		1,352.10	
Work-In-Progress	697.04		927.20	
Stock In Trade	27.87	3,398.80	49.69	2,328.99
Total		(989.37)		(947.67)

@ Difference represents in respect of following material produced in the Financial Year during Trial Runs and included in current year opening Inventory:

Finished Stock	122.14	589.80
Work-In-Progress	-	132.38
Total	122.14	722.18

B) (INCREASE)/DECREASE IN BIOLOGICAL ASSET

Closing Stock		
Biological Asset	61.67	53.55
Opening Stock		
Biological Asset	53.55	56.45
Total	(8.12)	2.90

24 EMPLOYEES BENEFIT EXPENSES

a) Salaries, Wages, Benefits & Amenities	2,385.26	1,870.16
b) Contribution to Provident Fund	98.28	85.36
c) Gratuity (Refer Note No.29)	73.42	66.69
d) Employees Welfare Expenses	39.06	43.19
Total	2,596.02	2,065.40

25 FINANCE COST

Interest on:		
i) Secured Loans	674.24	1,123.97
ii) Working Capital Facilities	217.09	81.45
iii) Shortfall in payment of Advance Tax	-	12.04
iv) Interest to Others	44.39	6.04
v) Interest to Unsecured Loans	619.96	221.60
vi) Interest on Lease Liabilities	-	3.43
Discounting & Bank Charges	167.25	157.80
Total	1,722.93	1,606.33

26 MANUFACTURING EXPENSES

Power & Fuel Consumed	2,858.17	2,129.66
Repair & Maintenance - Machineries	240.15	221.63
Stores, Spares, Tools, Jigs & Dies Consumed	288.11	240.01
Labour Charges	986.04	596.99
Sorting & Picking Charges	71.11	60.46
Tractor Hire & Shifting Charges	229.01	191.12
Lease Rent Short Term (Refer Note No.40)	2.40	2.40
Processing Charges	51.04	412.35
Others Manufacturing Expenses	171.55	154.56
Total	4,897.58	4,009.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	(Rs. In Lacs)	
	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023
27 ADMINISTRATION & SELLING EXPENSES		
Power & Fuel	105.00	105.98
Insurance Charges	122.71	102.92
Postage & Telephone Expenses	44.24	33.13
Vehicle Hire, Running & Maintenance Expenses	39.57	35.08
Conveyance & Travelling Expenses	160.74	130.56
Repair & Maintenance - Building	33.72	51.83
Repair & Maintenance - Others	69.90	57.47
Legal & Professional Charges	160.00	112.86
General Expenses	205.74	207.35
Lease Rent Short Term (Refer Note No.40)	9.00	9.00
CSR Expenditure	10.00	23.50
Charity & Donation	0.38	0.69
Rates & Taxes	1.86	2.26
Exchange Rate Fluctuation (Net)	69.44	-
Sundry debit Balance written off	12.46	13.00
Quality Claims	66.55	109.59
GST Expenses	174.38	84.04
Rebate & Discount	9.48	16.80
Sample Testing Charges	1.46	0.20
Commission on Sale	3.89	10.23
Packing & Forwarding Charges	433.51	394.65
Freight Outward	480.44	848.17
Total	<u>2,214.47</u>	<u>2,349.31</u>
28 EARNINGS PER SHARE (EPS)		
a) Profit for the year (Rs. In Lacs)	(2,593.24)	(1,059.76)
b) Fully Paid up Equity shares of Rs.10/-each	12,45,00,000	12,45,00,000
c) Nominal value per share (Rs.)	10	10
d) Basic & Diluted Earning Per Share (Rs.)	(20.83)	(8.51)

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:

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	794.22	775.70	161.38	161.08
Current Service Cost	40.50	36.97	18.98	16.83
Past Service Cost	-	-	-	-
Interest Cost	58.41	53.68	11.87	11.15
Actuarial (gain) /loss	18.83	(1.70)	1.14	(6.61)
Less: Benefits paid	91.54	70.43	12.05	21.07
Obligation at the end of the year	<u>820.42</u>	<u>794.22</u>	<u>181.32</u>	<u>161.38</u>
b) Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year	346.66	346.18	-	-
Employer contribution	-	48.82	-	-
Less: Benefits Paid	91.54	70.43	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	(Rs. In Lacs)			
	Gratuity (Funded)		Leave Encashment(Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Add: Expected return on plan assets	25.50	23.96	-	-
Add: Actuarial Gain /(Loss) on plan assets	(2.39)	(1.87)	-	-
Fair value of plan assets at the end of the year	278.22	346.66	-	-
c) Amount Recognized in Balance Sheet				
Present value of obligation	820.42	794.22	181.32	161.38
Less: Fair value of plan assets	278.22	346.66	-	-
Amount recognized in Balance Sheet	542.20	447.56	181.32	161.38
d) Gratuity & other Post Employment benefit cost for the period				
Current Service Cost	40.50	36.97	18.98	16.83
Past Service Cost	-	-	-	-
Interest Cost	58.41	53.68	11.87	11.15
Expected return on plan assets	(25.50)	(23.96)	-	-
Actuarial (gain) /loss	-	-	1.14	(6.61)
Net amount recognized in Statement of Profit & Loss	73.41	66.69	31.99	21.37
e) Gratuity & other Post Employment benefit cost for the period				
Remeasurement of the net defined benefit liability/assets				
Actuarial (gains)/losses	21.22	0.17	-	-
Net amount recognized in Statement of other comprehensive income	21.22	0.17		
f) Principal actuarial assumption at the Balance Sheet date:				
Interest Rate	7.13% for Factory (Dehradun), 7.19% for Mushroom Farm (Dehradun) & 7.21% for (Hosur) Factory (Krishna Giri)	7.35% for Factory (Dehradun), 7.36% for Mushroom Farm (Dehradun) & 7.48% for Factory (Krishna Giri)	7.13% for Factory (Dehradun), 7.19% for Mushroom Farm (Dehradun) & 7.21% for (Hosur) Factory (Krishna Giri)	7.35% for Factory (Dehradun), 7.36% for Mushroom Farm (Dehradun) & 7.48% for Factory (Krishna Giri)
Salary Escalation	5.00%	5.00%	5.00%	5.00%

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 2024. The Company is expected to contribute Rs. 101.43 lacs to defined benefits plan obligation fund for the year ending 31st March 2025.

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. 21.07 Lacs (increase by Rs.22.14 Lacs) as at 31st March 2024.

If the expected salary growth increases/(decreases by 0.5%), the defined benefit plan obligations would increase by Rs. 44.18 Lacs (decrease by Rs.40.61 Lacs) as at 31st March 2024.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 31.03.2024	For the Year Ended 31.03.2023
Domestic Revenue #	3,160.79	2,601.62
Export Revenue:		
USA	1,240.90	1,495.78
Europe	7,307.27	7,030.23
Australia	124.41	100.40
South Africa	43.01	
Asia	232.15	236.62
Total	12,108.53	11,464.65

Includes sales of Miscellaneous Items amounting to Rs.37.75 Lacs (previous year Rs.44.06 Lacs) shown under - Note No. -20 (b)(iv)

31 PAYMENT TO AUDITORS

a) Statutory Audit	15.00	15.00
b) Tax Audit	5.00	5.00
c) Certification & other services	6.50	6.56
d) For Reimbursement of Expenses	0.51	0.48
Total	27.01	27.04

32 CONTINGENT LIABILITIES AND COMMITMENTS

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).	14.70	554.97
ii) Guarantees Issued by the Bank(Net of Margin)	53.80	53.80
iii) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	74.12	31.26
iv) Import duty obligation on outstanding export commitment under advance Licence EPCG Schemes.	1,520.09	1,916.39
iv) 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)	1,701.99	2,595.70

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.

Total (B)	40.37	221.79
------------------	--------------	---------------

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**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 Mr. Ashok Chaturvedi
- 2 Mr. Rahul Razdan, Whole-time Director (and his relatives)
- 3 Mr. Naval Duseja ,Chief Financial Officer (and his relatives)
- 4 Mr. Himanshu Luthra- Company Secretary
- 5 Ashok Kumar Chaturvedi (HUF)
- 6 Mrs. Rashmi Chaturvedi
- 7 Mr. Anantshree Chaturvedi
- 8 Mr. Apoorvshree Chaturvedi
- 9 Ms. Anshika Chaturvedi

iii) Other Related Enterprises

- 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
- 16 Ultimate Prepress LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(B) Transactions with Related Parties		(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)	Other Related Enterprises as referred to in A(iii)	
i) Purchase of Packing Material/Others	63.04 (92.24)	-	-	
ii) Purchase of fixed assets	0.70 (43.97)	-	-	
iii) Loan Taken	1,075.00 (4,500.00)	-	2,025.00 (5,300.00)	
iv) Refund of Loan	-	-	450.00	
v) Interest Paid	74.73 (158.70)	-	520.46 (121.72)	
vi) Sale of fixed assets	-	-	-	
vii) Leases Rent	10.62 (10.62)	-	-	
viii) Dividend Paid	29.35 (58.70)	0.26 (0.53)	7.64 (15.20)	
ix) Reimbursement of Expenses	-	0.90 (0.90)	-	
x) Remuneration	-	141.95 (140.28)	-	
xi) Sitting Fees	-	1.25 (1.25)	-	
xii) Sales of (MEIS) Licence	-	-	-	
	(124.76)	-	-	
Balance Outstanding at the end of the year				
	Credit	1,153.16 (22.61)	2.16 (1.98)	5,875.00 (4,300.00)
	Debit	0.02 (0.22)	-	-
Outstanding Guarantee against Term Loans and working capital facilities			17,873.74	
			(19,064.55)	

Note: Previous year's figures have been given in brackets.

34 Information in respect of CSR Expenditure required to be spent by the Company		(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023	
i) Gross Amount required to be spent by the Company	10.24	23.20	
ii) Total of previous years Shortfall / (Excess) incurred	(0.42)	(0.12)	
iii) Balance to be spent	9.82	23.08	
iv) Amount spent during the year on :			
a) Construction / acquisition of any asset	-	-	
b) On purpose other than (i) above	10.00	23.50	
v) Shortfall at the end of the year	(0.18)	(0.42)	
vi) Total of previous years shortfall	-	-	
vii) Reason for shortfall	NA	NA	
viii) Nature of CSR activities	(i) Providing and Promoting Activity Kamdhenu Gaushala (ii) Educational Institute	(i) Providing and Promoting Dental Health care Including preventive Healthcare (ii) Educational Institute	
ix) Amount payable as at Year End	-	-	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- 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.0.50/- (Previous Year Rs.0.50) per share aggregating to Rs. 62.25 Lacs (Previous Year Rs.62.25 Lacs) for the Financial Year ended 31st March 2024 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.

39 Financial Instruments

Financial Instruments by category:

The carrying value and fair value of financial instruments by categories as of March, 31 2024 & as of March,31 2023 were as follows:

Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	(Rs in Lacs)	
					Total Carrying Value	Total fair value
Assets						
Cash and cash equivalents	CY	158.02	-	-	158.02	158.02
(refer note no 9 & 10)	PY	298.29	-	-	298.29	298.29
Trade Receivables	CY	3788.33	-	-	3788.33	3788.33
(refer note no 8)	PY	2992.48	-	-	2992.48	2992.48
Loans	CY	1.42	-	-	1.42	1.42
(refer note no 3A and 3B)	PY	3.57	-	-	3.57	3.57
Other financial assets	CY	362.38	-	-	362.38	362.38
(refer note no 4 A and 4B)	PY	249.80	-	-	249.80	249.80
Total	CY	4310.15	-	-	4310.15	4310.15
	PY	3544.14	-	-	3544.14	3544.14
Liabilities						
Trade payables	CY	2620.00	-	-	2620.00	2620.00
(refer note no 16)	PY	1,898.03	-	-	1898.03	1898.03
Other financial liabilities	CY	1226.43	-	-	1226.43	1226.43
(refer note no 17)	PY	743.12	-	-	743.12	743.12
Borrowings	CY	26091.07	-	-	26091.07	26091.07
(refer note no 13A and 13B)	PY	23354.34	-	-	23354.34	23354.34
Lease liabilities	CY	176.20	-	-	176.20	176.20
	PY	213.50	-	-	213.50	213.50
Total	CY	30113.70	-	-	30113.70	30113.70
	PY	26,208.99	-	-	26,208.99	26,208.99

Fair Value hierarchy disclosures:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Input other than quoted price included within Level 1 that are observable for the assets or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 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	40%	42%
Revenue from Top Five Customers	62%	71%

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	(Rs in Lacs)		
	As at 31st March 2024	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	26,091.07	6,429.29	19,661.78
Trade payables	2,620.00	2,620.00	-
Other Financial Liability	1,226.43	1,226.43	-
Lease Liability	176.20	45.40	130.80
Other Liabilities	725.44	725.44	-
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 amount which is subject to the change in the interest rate is of Rs.17,820.86 Lacs out of the total debt of Rs.26,091.07 Lacs

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. 178.20 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

foreign currency and payment obligations of the financial liabilities.

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.

The carrying amount of the Group's material foreign currency dominated monetary Assets and Liabilities at the end of the reporting period is as below

Currency	(Rs in Lacs)			
	Monetary Assets		Monetary Liabilities	
	Current Year	Previous Year	Current Year	Previous Year
USD	437.86	459.96	12.08	8.49
Euro	1,071.48	329.00	13,842.68	14,607.74
	1,509.34	788.96	13,854.76	14,616.23

Following Table Summaries approximate gain/(loss) on Company's Profit before tax on account of appreciation and depreciation of underlying foreign currencies of the above table

Currency	Effect on Profit before tax	
	Current Year	Previous Year
5% appreciation (Rs. In Lacs)	(617.27)	(691.36)
5% depreciation (Rs. In Lacs)	617.27	691.36

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.

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, Other comprehensive income and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

The following table summarizes the capital of the Company :-

Particulars	(Rs in Lacs)	
	As at March 31,2024	As at March 31,2023
Borrowings	26,091.07	23,354.34
Total Equity	7,525.37	10,202.08
Gearing Ratio	347%	229%

The company has done expansion of project at Kirishnagiri, Tamil Nadu for which it had taken Loans. The project is under stabilization. Once the capacity is improved the net worth will improve. Further, the borrowing includes unsecured loan from group companies which will be repaid. Accordingly, Gearing ratio will be improved.

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

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

(Rs in Lacs)				
S. No.	Particulars	Note No	As at 31.03.2024	As at 31.03.2023
(i)	Depreciation Charge on Right to Use Assets		-	-
(ii)	Interest Expense on Lease Liabilities	25	-	3.43
(iii)	Short Term Leases	26 & 27,5b	16.40	11.40
(iv)	Low value leases		-	-
(v)	variable Lease payments		-	-
(vi)	Total Cash outflow on Right on Use Assets		62.94	23.28
(vii)	Opening Balance of Right to Use Assets		233.35	-
(viii)	Additions to Right to use Assets	2(E)	25.64	233.35
(ix)	Deletion to Right to use Assets		-	-
(x)	Carrying amount of Right to Use Assets	2(E)	258.99	233.35

The break-up of current and non-current lease liabilities on Right of Use assets as of March 31, 2024 is as follows:-

(Rs in Lacs)		
Particulars	As at 31.03.2024	As at 31.03.2023
Current Lease Liability	45.40	43.00
Non-current Lease Liability	130.80	170.50
Total	176.20	213.50

As Lessee:-

Right-of-use asset	No. of right to use asset	Range of remaining term	Average remaining lease term	No. of lease with extension plan	No. of leases with option to purchase	No. of leases with termination plan
Plant & Equipment	2	2024-2028	3 Years & 10 Months	NA	NA	NA
Plant & Equipment	3	2024-2028	3 Years & 11 Months	NA	NA	NA

Details of right to use assets held by the company for the year ended March 31, 2024:

Particulars	Category of ROU asset : Plant & Machinery as at 31.03.2024	Category of ROU asset : Plant & Machinery as at 31.03.2023
Opening Balance	233.35	-
Addition	25.64	233.35
Deletions	-	-
Depreciation	-	-
Closing Balance	258.99	233.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

The following is the movement in lease liabilities during the year ended March 31, 2024:

Particulars	Category of ROU asset : Plant & Machinery as at 31-03-2024	Category of ROU asset : Plant & Machinery as at 31-03-2023
Opening Balance	213.50	-
Addition/Adjustments	-	223.97
Finance cost	18.29	3.43
Payment of lease liabilities	55.59	13.90
Translation differences	-	-
Closing Balance	176.20	213.50

The expense relating to payments not included in the measurement of the lease liability during FY 2023-24 is as follows:

Particulars	31-03-2024	31-03-2023
Short Term/Low value Leases (Refer Note 26 & 27)	16.40	11.40
Variable lease payments	Nil	Nil

The amount of leases that are not commenced yet but have been entered into amounts to NIL.

Lease contracts entered by the Company majorly pertains to plant and machinery taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and covenants as per the contract.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	(Rs in Lacs)
Less than one year	55.59
One to five years	152.88
More than five years	-

41 Additional Regulatory Information

(i) (a) Capital-Work-in progress (CWIP)

For the year ended 31.03.2024

a) Capital-Work in Progress ageing Schedule

(Rs in Lacs)
As At 31.03.2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress					
Tangible assets					
(i) Krishnagiri (Tamil Nadu)	53.26	-	-	-	53.26
(ii) Dehradun (Uttarakhand)	148.98	1.81	-	-	150.79
Projects temporarily suspended					
(i) Krishnagiri (Tamil Nadu)	-	-	-	-	-
(ii) Dehrdun (Uttarakhand)	-	-	-	-	-
Total	202.23	1.81	-	-	204.05

b) Capital -Work in Progress whose Completion is Overdue or has exceeded its cost compared to its original plan.

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1				
(i) Krishnagiri (Tamil Nadu)	-	-	-	-
(ii) Dehradun (Uttarakhand)	-	-	-	-
Projects 2				
(i) Krishnagiri (Tamil Nadu)				
(ii) Dehrdun (Uttarakhand)				
Total	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

For the year ended 31.03.2023

a) Capital-Work in Progress ageing Schedule

As At 31.03.2023

CWIP		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress						
Tangible assets						
(i)	Krishnagiri (Tamil Nadu)	4,502.09	339.48	-	-	4,841.57
(ii)	Dehradun (Uttarakhand)	14.01	-	-	-	14.01
Projects temporarily suspended						
(i)	Krishnagiri (Tamil Nadu)					
(ii)	Dehrdun (Uttarakhand)					
Total		4,516.10	339.48	6.14	-	4,855.58

b) There is no Capital-Work in Progress whose Completion is Overdue or has exceeded its cost compared to its original plan.

b) Capital -Work in Progress whose Completion is Overdue or has exceeded its cost compared to its original plan.

CWIP		To be completed in			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1					
(i)	Krishnagiri (Tamil Nadu)	4,841.57	-	-	-
(ii)	Dehradun (Uttarakhand)	-	-	-	-
Projects 2					
(i)	Krishnagiri (Tamil Nadu)				
(ii)	Dehrdun (Uttarakhand)				
Total		4,841.57	-	-	-

(i) b) **Intangible Assets under Development**

For the year ended 31.03.2024

a) Intangible Assets under Development ageing Schedule

(Rs in Lacs)

As At 31.03.2024

CWIP		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress						
Intangible assets						
(i)	Krishnagiri (Tamil Nadu)	-	-	-	-	-
(ii)	Dehradun (Uttarakhand)	-	17.70	-	-	17.70
Projects temporarily suspended						
(i)	Krishnagiri (Tamil Nadu)	-	-	-	-	-
(ii)	Dehrdun (Uttarakhand)	-	-	-	-	-
Total		-	17.70	-	-	17.70

b) There is no Intangible assets under Development whose Completion is Overdue or has exceeded its cost compared to its original plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

For the year ended 31.03.2023

a) Intangible Assets under Development ageing Schedule

(Rs. In Lacs)

As At 31.03.2023

CWIP		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress						
Intangible assets						
(i)	Krishnagiri (Tamil Nadu)	-	-			-
(ii)	Dehradun (Uttarakhand)	17.70		-	-	17.70
Projects temporarily suspended						
(i)	Krishnagiri (Tamil Nadu)	-	-	-	-	-
(ii)	Dehradun (Uttarakhand)	-	-	-	-	-
Total		17.70	-	-	-	17.70

b) There is no Intangible assets under Development whose Completion is Overdue or has exceeded its cost compared to its original plan.

ii) The quarterly returns are in agreement with books of accounts.

iii) Following disclosures are made in relation to the Ratios to be disclosed as per Schedule-III

			Current Year	Previous Year	% Change During the Year
(i)	Current Ratio	[a/b]	0.96	1.08	-10.7%
	Current Assets	a	11,186.36	9,390.84	
	Current Liabilities	b	11,609.69	8,701.18	
(ii)	Debt-Equity Ratio	[a/b] # Refer Note below	3.49	2.31	51.1%
	Total Borrowings	a	26,267.27	23,567.84	
	Shareholder's Fund	b	7,525.37	10,202.08	
(iii)	Debt Service Coverage Ratio	[a/b] # Refer Note below	(0.20)	0.66	-130.3%
	Earnings available for Debt Services (EBITDA)	a	(606.48)	912.61	
	Debt Obligations :		-		
	Instalments		1,594.62	819.78	
	Interest Expense		1,443.96	559.30	
	Total Debt Service	b	3,038.58	1,379.08	
(iv)	Return on Equity	[a/b] ### Refer Note below	-29.3%	-9.8%	198.0%
	Profit after Tax	a	(2,593.24)	(1,059.76)	
	Opening Shareholders Fund	b(i)	10,202.08	11,386.51	
	Closing Shareholders Fund	b(ii)	7,525.37	10,202.08	
	Average Shareholders Fund	b ((i+ii)/2)	8,863.73	10,794.30	
(v)	Inventory Turnover Ratio	[a/b] ### Refer Note below	0.63	0.77	-18.2%
	Cost of Goods Sold	a	2,638.37	2,196.22	
	Opening Inventory	b(i)	3,677.98	1,993.86	
	Closing Inventory	b(ii)	4,704.19	3,677.98	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

			Current Year	Previous Year	% Change During the Year
Average Inventory	b ((i+ii)/2)		4,191.09	2,835.92	
(vi) Trade Receivables Turnover Ratio	[a/b]		3.54	3.97	-10.8%
Revenue from Sale of Goods & Services	a		11,999.68	11,345.12	
Average Trade Receivable	b		3,390.41	2,856.63	
(vii) Trade Payables Turnover Ratio	[a/b]	### Refer Note below	1.59	2.18	-27.1%
Purchases	a		3,590.56	3,209.31	
Average Trade Payables	b		2,259.02	1,474.17	
(viii) Net Capital Turnover Ratio	[a/b]		-28.35	16.45	-272.3%
Revenue from Sale of Goods & Services	a		11,999.68	11,345.12	
Working Capital	b		(423.33)	689.66	
(ix) Net Profit Ratio	[a/b]	## Refer Note below	-21.61%	-9.34%	131.4%
Profit for the Year	a		(2,593.24)	(1,059.76)	
Revenue from Sale of Goods & Services	b		11,999.68	11,345.12	
(x) Return on Capital Employed	[a/b]	# & ## Refer Note below	-6.19%	-2.49%	148.6%
Earning before Interest & Tax	a		(2,079.83)	(840.43)	
Capital Employed	b		33,598.74	33,757.41	
(xi) Return on Investment			-	-	
(a) From Quoted Equity Instruments	[a/b]		-	-	N.A
Dividend Income	a		-	-	
Average Investment in Quoted Equity Instruments	b		-	-	
(b) From Unquoted Investments	[a/b]		-	-	N.A
Investment Income (including Capital Gain / (Loss))	a		-	-	
Average Unquoted Investments	b		-	-	

Note:

The significant Change in these ratios are due to the additional borrowings raised by the Company during the year for stabilization of new Project at Kirishnagiri, Tamil Nadu which was completely capitalised on 31.05.2023. Further, as the capacity was not fully utilized and due to this turnover was also less than the Expected, which resulted in net losses during the year.

The significant Change in these ratios is due to reason, the capacity was not fully utilized in the new Project at Kirishnagiri, Tamil Nadu, due to which turnover was also less than the Expected. This has resulted in net losses during the year.

Change is due to increase in Closing Stock which is due to Low sale Volumes in comparison to Estimations. This is because of stabilization of new Project at Kirishnagiri, Tami Nadu during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- (iv) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (43 of 1988) and the rules made thereunder.
- (v) As per information available with the Management, the Company does not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (vi) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) There was no charge or satisfaction, which is yet to be registered with concerned Registrar of Companies, beyond the period permitted under the Companies Act, 2013.
- (viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ix) There's no transaction which has not been recorded in the books of accounts and disclosed or surrendered as income during the year in the tax assessments under the Income Tax Act, 1961.
- (x) The Company is in compliance with the regulation as to the number of layers of companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restoration on number of Layers) Rules, 2014.
- (xi) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (xii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xiii) No loans and advances in the nature of Loan have been granted to Promoter, KMP, Director and related parties during the year.

Note: Signatories to Note 1 to 41

For and on behalf of the Board of Directors

Ashok Chaturvedi
Chairman
DIN -00023452

Rahul Razdan
Whole Time Director
DIN - 09290572

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

Himanshu Luthra
Company Secretary


Naval Duseja
Chief Financial Officer


Megha Jain
Partner
Membership No. 415389

Place : Noida
Dated : 27th May, 2024



CONTACT US

 0120 4012345

 secretarial@flexfoodsltd.com

 www.flexfoodsltd.com