

TWENTY FOURTH ANNUAL REPORT 2013-2014



FLEX FOODS LIMITED



FLEX FOODS LIMITED

(CIN L15133UR1990PLC023970)

TWENTY FOURTH ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman

T. N. PANDEY

G. N. GUPTA

M. G. GUPTA

R. K. JAIN

S. K. KAUSHIK

COMPANY SECRETARY

RAJESH DHEER

MANAGER

B.P. SHARMA

AUDITORS

Statutory Auditor

JAIN SINGHAL & ASSOCIATES
IInd Floor, M-6, M Block Market, Greater Kailash-II
New Delhi-110 048

Internal Auditor

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

Secretarial Auditor

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

BANKERS

CANARA BANK

REGISTERED OFFICE

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

SHARE DEPARTMENT

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

WORKS

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

Chidderwala
Dehradun
(Uttarakhand)

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Flex Foods Limited will be held on Saturday, the 23rd day of August, 2014 at 3:00 P.M. at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year 2013-2014 on the equity shares of the company.
3. To appoint a Director in place of Mr. R.K. Jain (holding DIN 00024692), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s. Jain Singhal & Associates, Chartered Accountants (Firm Registration No.005839N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the fourth consecutive AGM and to fix their remuneration and to pass the following resolution thereof:

"Resolved that, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Jain Singhal & Associates, Chartered Accountants (Firm Registration No.005839N), be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors, be and are hereby authorized to fix such remuneration as may be agreed upon by the Board of Directors and Auditors, in addition to reimbursement of service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. M.G. Gupta (holding DIN 00023524), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31st March, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T.N. Pandey (holding DIN 00023557), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31st March, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. G.N. Gupta (holding DIN 00027502), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31st March, 2019."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 3rd Annual General Meeting held on 25th January, 1993 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.150 Crores (Rupees One Hundred Fifty Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

By Order of the Board

Place : NOIDA
Dated : 22nd May, 2014

RAJESH DHEER
Company Secretary
FCS No. 3060

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 19.08.2014 to 23.08.2014 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
8. The Company has paid the Annual Listing Fee for the year 2014-2015 to the BSE Limited on which the Company's Securities are presently listed.
9. Unclaimed/Undelivered Share Certificates

As per the provisions of Clause 5A of the Listing Agreement, the unclaimed shares lying in the possession of the

Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly unclaimed shares lying with the Company have been transferred and dematerialized in an 'Unclaimed Suspense Account' of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.

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

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

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

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

10. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab.
- iii) Now, select "**FLEX FOODS LIMITED**" from the drop down menu and click on "SUBMIT"

- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA000000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares you hold on record date i.e. 18th July, 2014 in the Dividend Bank details field.

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on "**FLEX FOODS LIMITED**"
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on **18th August, 2014 (9:00 AM)** and ends on **19th August, 2014 (6:00 PM)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **18th July, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on Resolution is cast by the shareholders, the shareholders shall not be allowed to change it subsequently.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (D) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.
11. Mr. Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the

Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the Website of the Company i.e. viz. www.flexfoodsltd.com and also on the website of CDSL viz. www.cdslindia.com within two days of passing of the Resolution of the AGM of the Company.

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

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

Item No. 5

Mr. M.G. Gupta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2003. Mr. M.G. Gupta is a member of the Nomination and Remuneration Committee and a member of the Audit Committee and Chairman of Corporate Social Responsibility Committee of the Company.

Mr. M.G. Gupta retired IAAS (Indian Audit & Accounts Services) and during his illustrious carrier with the Central Government, held several important positions in various Ministries / Departments. He retired in 1992 as Vice Chairman & Member, Finance, Delhi Development Authority.

Mr. M.G. Gupta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. M.G. Gupta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. M.G. Gupta as a candidate for the office of Director of the Company.

Mr. M.G. Gupta has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. M.G. Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. M.G. Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. M.G. Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. M.G. Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. T.N. Pandey is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2001. Mr. T.N. Pandey is Chairman of the Audit Committee and Stakeholders' Relationship Committee and a

member of the Nomination and Remuneration Committee of the Company.

Mr. T.N. Pandey retired from the Government service as Chairman of the Central Board of Direct Taxes. He has vast and varied experience and has held several important positions during his illustrious carrier with the Central Government.

Mr. T.N. Pandey is a Director, whose period of office is liable to determination by retirement of Director by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. T.N. Pandey being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. T.N. Pandey as a candidate for the office of Director of the Company.

Mr. T.N. Pandey has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. T.N. Pandey fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. T.N. Pandey as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. T.N. Pandey as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. T.N. Pandey, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Mr. G.N. Gupta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 1999. Mr. G.N. Gupta is Chairman of the Nomination and Remuneration Committee and a member of Audit Committee of the Company.

Mr. G.N. Gupta retired as Chairman of the Central Board of Direct Taxes. He has vast and varied experience and has held several important positions during his illustrious carrier with the Central Government.

Mr. G.N. Gupta is a Director, whose period of office is liable to determination by retirement of Director by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. G.N. Gupta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. G.N. Gupta as a candidate for the office of Director of the Company.

Mr. G.N. Gupta has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. G.N. Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

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The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. G.N. Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. G.N. Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. G.N. Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item No.8

The members of the Company at their 3rd Annual General Meeting held on 25th January, 1993 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.50 Crores (Rupees Fifty Crores). Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors

shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.8 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.150 Crores (Rupees One Hundred Fifty Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

By Order of the Board

Place : NOIDA
Dated : 22nd May, 2014

RAJESH DHEER
Company Secretary
FCS No. 3060

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

Name of the Director	Shri R.K. Jain DIN 00024692	Shri G. N. Gupta DIN 00027502	Shri T.N. Pandey DIN 00023557	Shri M.G. Gupta DIN 00023524
Date of Birth	24.09.1954	23.07.1931	20.08.1932	02.03.1934
Date of Appointment	11.08.2000	28.07.1999	01.11.2001	28.01.2003
Experience in specific functional area	A Chartered Accountant having more than 34 years of experience particularly in the field of Finance, Taxation and Corporate Matters. Associated with Uflex group almost since inception and as such is quite familiar with the Company's activities.	He is tax consultant and retired as Chairman of the Central Board of Direct Taxes. He has vast and varied experience and has held several important positions during his illustrious career with the Central Government	Retired from the Government service as Chairman of the Central Board of Direct Taxes. He has vast and varied experience and has held several important positions during his illustrious career with the Central Government	He is retired IAAS (Indian Audit & Accounts Services) and during his illustrious career with the Central Government, held several important positions in various Ministries / Departments. He retired in 1992 as Vice Chairman & member, Finance, Delhi Development Authority.
Qualification	FCA.	M.Sc. (Maths), LL.M.	M.Com. LL.B, LL.M.	B.Sc., Retd. IAAS
Directorship in other Public Limited Companies	NIL	- Yash Papers Ltd. - Asian Fertilizers Ltd.	- Kailash Health Care Ltd.	- UFLEX Limited. - Taurus Assets Management Co. Ltd.
Members/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Audit Committee - Flex Foods Ltd. Nomination and Remuneration Committee - Flex Foods Ltd. Stakeholders' Relationship Committee - Flex Foods Ltd.	Audit Committee - Flex Foods Ltd. - Yash Papers Ltd. (Chairman) Nomination and Remuneration Committee - Flex Foods Ltd. (Chairman) - Yash Papers Ltd. (Chairman) Stakeholders' Relationship Committee - Nil	Audit Committee - Flex Foods Ltd. (Chairman) - Kailash Health Care Ltd. (Chairman) Nomination and Remuneration Committee - Flex Foods Ltd. (Chairman) - Kailash Health Care Ltd. (Chairman) Stakeholders' Relationship Committee - Flex Foods Ltd. (Chairman)	Audit Committee - Flex Foods Ltd. - UFLEX Limited) - Taurus Assets Management Co. Ltd. (Chairman) Nomination and Remuneration Committee - Flex Foods Ltd. - UFLEX Limited (Chairman) - Taurus Assets Management Co. Ltd. Stakeholders' Relationship Committee - UFLEX Limited

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

**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present the 24th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014

Financial Results

The financial results for the year ended 31st March, 2014 and for the previous year ended 31st March, 2013 are as follows:

	(Rs. in lacs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Income from Operation	6617.34	5282.80
Other Income	313.74	293.40
Profit before Finance Cost, Depreciation and Taxes	1916.61	1244.58
Finance Cost	202.96	164.89
Depreciation & Amortisation Expenses	356.77	340.49
Profit before Tax	1356.88	739.20
Provision for Taxation	319.27	192.34
Deferred Tax (Assets)/Liability	2.47	(11.24)
Short/(Excess) Provision of earlier year	0.21	(0.09)
Profit for the Year	1034.93	558.19
Earning per Share	8.31	4.49

Your Company during the year achieved total revenue of Rs.6931.08 lacs including other income of Rs.313.74 lacs in comparison to total revenue of Rs.5576.20 lacs including other income of Rs.293.40 lacs in the previous year ended 31st March, 2013. During the year the Company made export of manufactured/traded goods on FOB basis to the tune of Rs 4847.47 lacs, which is approximately 73.70% of the total sales. Your Company ended the year with a net profit of Rs.1034.93 lacs compared to profit of Rs.558.19 lacs for the previous year ended 31st March, 2013. The earning per share is Rs.8.31 in comparison to Rs.4.49 per share in the previous year. From these figures, it could be seen that the company's working for the year ended 31st March, 2014 has improved substantially compared to the previous year.

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

Dividend

Your Directors are pleased to recommend a dividend @ Rs.2.25 (22.50%) per fully paid share for the financial year ended March, 2014. The dividend if approved at the forthcoming Annual General Meeting will be paid to Members whose name appear in the Register of Members as on 18th August 2014. In respect of shares held in dematerialized form, it will be paid to those members whose name are furnished by National Securities Depository Limited and Central Depository Service (India) Limited as beneficial owner as on 18th August 2014.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri R.K. Jain, (DIN 00024692), Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Mr. M.G. Gupta, Mr. T.N. Pandey and Mr. G.N. Gupta Directors of the Company, are being appointed as independent Directors for five consecutive years for a term upto March 31, 2019 as per the provision of Section 149 and other applicable provisions of the Companies Act, 2013

Brief resume of the Directors seeking appointment/re-appointment, nature of their expertise in specific functional areas and the name of the Public Companies in which they hold Directorship and Chairman/Membership of the Committees of the Board, are given as Annexure to the Notice convening the Annual General Meeting.

None of the Directors of the Company is disqualified as per provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Your Directors recommend their appointment/reappointment.

Fixed Deposits

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

Auditors & Audit

The Statutory Auditors of the Company, M/s. Jain Singhal & Associates, Chartered Accountants (Firm Registration No.005839N), retire at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed. The Audit Committee and the Board of Directors recommends the re-appointment of M/s. Jain Singhal & Associates, Chartered Accountants (Firm Registration No. 005839N) as the Auditors of the Company for a period of three years.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

Internal Auditors

The Board of Directors of your Company has appointed M/s. Vijay Singhal & Co., Chartered Accountants, Delhi (Firm Registration No.000374N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2014-2015.

Secretarial Auditors

The Board of Directors of your Company has appointed Ms. Mahesh Gupta & Company, Practicing Company Secretary, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-2015.

Corporate Governance

The Securities and Exchange Board of India (SEBI) stipulates Corporate Governance standards for listed companies through Clause 49 of the Listing Agreement of the Stock Exchanges. Accordingly, a separate report on Corporate Governance along with the Auditors' Certificate on its compliance by the Company is included as a part of the Annual Report.

Directors' Responsibility Statement

On the basis of compliance certificates received from the Internal Auditors and Executives of the Company, subject to the disclosures in the Annual Accounts and also on the basis of the discussion with the Statutory Auditors of the Company from time to time, we state as under:

- 1) that in the preparation of the Annual Account for the financial year ended 31st March, 2014, the applicable accounting standards have been followed and there has been no material departure.
- 2) that the Directors have selected such Accounting Policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review.
- 3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) that the Directors have prepared the Annual Accounts on a going concern basis.

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

Particulars of Employees

There has been no employee during the year whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

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

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'A' forming part of this Report.

Personnel

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

Acknowledgement

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

For and on behalf of the Board

Place : NOIDA
Dated : 22.05.2014

Ashok Chaturvedi
Chairman

ANNEXURE 'A' TO DIRECTORS REPORT

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

A) Energy Conservation Measures Taken

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

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

Achieved SEDEX 4 pillar compliance from 2 pillar resulting in increased level of awareness amongst employees for

occupational health and safety, environmental and social accountability,

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

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

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

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

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

C) Impact of the above measures

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

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



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

TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

The company prioritized and carried out R&D work in process and product development of Conventional herbs like Rucola, Organic herbs like Coriander & Marjoram & vegetables like Chilly & Carrot.

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

- a. IQF Rucola & IQF Organic Coriander & Marjoram were developed and manufactured in addition to other herbs.
- b. Air dried Carrot & Chilly were developed and manufactured in addition to other products.

iii) Future Plan of Action

- a) Steps are continuously being taken for innovation and renovation of products including new product development like Air dried Stevia, Capsicum and Frozen Jalapeño, Pepper.
- b) Automation and process line modifications are being planned to substantially reduce labour costs and to improve productivity and quality.

- c) Training programme has been initiated for farmers for growing of herbs for Good Agricultural Practices (GAP) to grow herbs as per US and EU norms.
- d) Backward integration for growing of herbs with increased area of cultivation for sustained and quality supply of fresh herbs.

iv) Expenditure on Design & Development:-

During the year, company spent Rs.0.09 Lacs. This is very negligible to the percentage of the turnover of the company.

FOREIGN EXCHANGE EARNING AND OUTGO

- a. Activities related to Exports: Initiatives were taken to increase exports, development of new export markets for products and services. The Company is at present exporting its products to North America and Europe. The Company is continuously exploring possibilities of exporting new and enhanced quantities of existing product mix to existing and new prospective markets.
- b. During the year company has exported manufactured goods of on FOB basis amounting to Rs. 4847.47 lacs. The expenditure incurred in Foreign Exchange (including value of imports) during the year amounted to Rs 866.59. lacs

For and on behalf of the Board

Place : NOIDA
Dated : 22.05.2014

Ashok Chaturvedi
Chairman