



# **TWENTY EIGHTH ANNUAL REPORT 2017-18**



**FLEX FOODS LIMITED**



## **FLEX FOODS LIMITED**

(CIN L15133UR1990PLC023970)

### **TWENTY EIGHTH ANNUAL REPORT 2017-2018**

#### **BOARD OF DIRECTORS**

ASHOK CHATURVEDI  
*Chairman*

P.N. SHARMA

ANUPAM AHUJA

R.K. MISHRA (Appointed w.e.f. 16.08.2017)

A. RAGHAVENDRA RAO (Appointed w.e.f. 14.08.2017)  
*Whole Time Director*

#### **COMPANY SECRETARY**

RAJESH DHEER

#### **AUDITORS**

##### **Statutory Auditor**

MJMJ & ASSOCIATES, LLP  
Flat No. 905, Millenia Emerald Hights Apartments,  
Ramprastha Green, Sector 7, Vaishali,  
Gaziabad, Uttar Pradesh 201010

##### **Internal Auditor**

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

##### **Secretarial Auditor**

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

#### **BANKERS**

CANARA BANK  
ALLAHABAD BANK

#### **REGISTERED OFFICE**

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

#### **SHARE DEPARTMENT**

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

#### **REGISTRAR AND SHARE TRANSFER AGENT**

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

#### **WORKS**

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

Chidderwala  
Dehradun  
(Uttarakhand)



## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Flex Foods Limited will be held on Thursday, the 23<sup>rd</sup> day of August, 2018 at 3.00P.M. at the Registered Office of the Company at Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun, Uttarakhand for transacting the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and the Auditors thereon; and
2. To appoint a Director in place of Shri Ashok Chaturvedi (DIN: 00023452), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri A. Raghavendra Rao (DIN 05116052), who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> August, 2017 by the Board of Directors of the Company and who being eligible for appointment and having consented to act as Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, of the Company, be and is hereby appointed as an Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** that pursuant of Section 196 & 197 and Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals / sanctions as may be necessary, the company hereby approves the appointment of Mr. A. Raghavendra Rao (DIN 05116052) as Whole-Time Director of the Company for a period of Three years w.e.f. 14<sup>th</sup> August, 2017 to 13<sup>th</sup> August, 2020 on the terms and conditions including as to remuneration, minimum remuneration in case of loss or inadequate profit in any financial year as set out in the explanatory statement which shall be deemed to form part thereof.

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

**RESOLVED FURTHER THAT** Shri Ashok Chaturvedi, Chairman or Shri Rajesh Dheer, Company Secretary of the Company be and are hereby authorized to finalize, settle and execute such documents, deeds, writing papers and/or agreements as may be required and to do all such acts, deeds, matters and things as may in its absolute discretion deem fit, necessary or appropriate."

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

**"RESOLVED THAT**, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Rajendra Kumar Mishra (DIN 07905342), who was appointed as an Additional Director of the Company with effect from 16<sup>th</sup> August, 2017 by the Board of Directors of the Company and who being eligible for appointment and having consented to act as Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company be and is hereby appointed as an independent Director of the Company for a term upto 15 August, 2020 and whose office shall not be liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri P.N. Sharma (DIN: 00023625), who was appointed as an Independent Director and who holds office of Independent Director upto 25<sup>th</sup> May, 2019 being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 3 (three) consecutive years i.e from 26<sup>th</sup> May, 2019 to 25<sup>th</sup> May, 2022 and whose office shall not be liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the modification to the Articles of Association of the Company, a Copy of which is available for inspection at



the Registered Office and also available on the website of the Company at [www.flexfoodsltd.com](http://www.flexfoodsltd.com) at web link [https://www.flexfoodsltd.com/pdf/corporate-announcements/Articles\\_of\\_Association.pdf](https://www.flexfoodsltd.com/pdf/corporate-announcements/Articles_of_Association.pdf) be and is hereby approved and adopted in total exclusion, substitution and superseding the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above Resolution(s)."

By Order of the Board

**Rajesh Dheer**

Company Secretary

FCS No. 3060

Place : NOIDA

Date : 26<sup>th</sup> May, 2018

**Regd. Office:**

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

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 16.08.2018 to 23.08.2018 (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 ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

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. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs11,57,892 (Rupees Eleven Lacs Fifty Seven Thousand Eight Hundred Ninety Two only) being the unpaid and unclaimed dividend amount pertaining to Dividend for the year 2009-10 to the Investor Education and Protection Fund of the Central Government.
6. 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.

7. 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
8. Electronic copy of the Annual Report of the 28<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map 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 Annual Report of the 28<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
9. The Company has paid the Annual Listing Fees for the year 2018-2019 to the BSE Limited on which the Company's Securities are presently listed.
10. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including amendment thereto effective from 7<sup>th</sup> September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Account as prescribed by the IEPF Authority. In pursuance of Compliance of said rules Company has transferred 3,53,985 (Three Lacs Fifty Three Thousands Nine Hundred Eighty Five) Equity Shares to Investor Education and Protection Fund (IEPF).
11. Voting through electronic means
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL)
  - ii. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their



vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.

- iii. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- i) The voting period begins on **20.08.2018 (9:00 AM)** and ends on **22.08.2018 (5:00 PM)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **16.08.2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders." Tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for **FLEX FOODS LIMITED** on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the *cut-off date* i.e. **16.08.2018**.
  13. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
  14. Shri Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  15. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
  16. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
  17. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.flexfoodsltd.com](http://www.flexfoodsltd.com) and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchange.
  18. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company.

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

### **Item 3 & 4.**

The Board of Directors on the recommendation of Nomination and Remuneration Committee appointed Mr. A. Raghavendra Rao (DIN 05116052) as an Additional Director (w.e.f. 14.08.2017) in terms of Section 161 & other applicable provisions of the Companies Act, 2013 to hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member of the Company proposing the candidature for the office of Director of the Company.

The company business activities have been grown in last couple of years and Food Processing Industry, more particularly in the International Market is highly demanding & challenging. The Company's products are well accepted in India as well as in foreign markets.

However, a lot is still to be achieved and therefore there is a need to have an eminent and experienced professional as the Whole-time Director of the Company, who could look day to day activities of the Company.

Therefore, the Board of Directors of the Company (after considering the recommendation of the Nomination and Remuneration Committee) at its meeting held on 10<sup>th</sup> August, 2017 has, subject to the approval of Shareholders, appointed Mr. A. Raghavendra Rao as Whole-time Director of the Company for a period of 3 years commencing from 14<sup>th</sup> August, 2017 on the following terms and conditions

### **Term and Conditions**

#### **Remuneration**

Salary including allowances of Rs. 5,96,667/- (Rupees Five Lacs Ninety Six Thousand Six hundred Sixty Seven only) per month with an annual increment of maximum up to 25% of gross salary including incremental perquisite (increment as decided by Chairman of the Company).

Ex-gratia, LTA & Medical as per Company rules

Car as per Company's policy

#### **Other terms**

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

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

#### **Functions**

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

The Board recommends the resolutions set forth in Item no. 3 as ordinary resolution and 4 as special resolution for the approval of the members.

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,



2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India is attached as Annexure to the Notice.

No director, key managerial personnel or their relatives is interested or concerned in the resolution except to the extent of their respective interest as shareholders of the company, Shri A. Raghavendra Rao, to whom the resolution relates is interested in the resolution due to his appointment.

The brief profile of the Company as well as Shri A. Raghavendra Rao as required under Schedule V of the Companies Act, 2013 are given hereunder.

## I General Information

### 1) Nature of Industry

The Company is engaged mainly in the business of cultivation and processing of Mushrooms, Herbs, Fruits and Vegetable in freeze dried, air dried and Individual quick frozen forms. The Company has been selling its product mainly to European and US markets.

### 2) Date of Expected date of commencement of commercial production:

Existing Company in operation since 1990

### 3) In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus:

Not Applicable

### 4) Financial performance based on given indicators

(Rs. In Lacs)

Year ended 31 <sup>st</sup> March	2015-2016	2016-2017	2017-2018
Revenue from operation	8268.62	8517.25	9106.73
Other Income	242.30	186.93	245.59
Profit before Finance Cost, Depreciation and Taxes	2087.13	2091.30	1932.62
Finance Cost	365.57	482.88	363.42
Depreciation	431.30	486.27	500.16
Profit before tax	1290.53	1122.15	1069.04
Taxes	474.02	337.61	388.26
Profit for the Year	816.51	784.54	680.78

### 5) Export performance and net foreign Exchange Collaborations :

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

(Rs. In Lacs)

2015-2016	2016-2017	2017-2018
5051.62	5801.17	6523.54

### 6) Foreign investments of collaborators, if any:

NIL

## II Information about Shri A. Raghavendra Rao

### 1) Background details

Shri A. Raghavendra Rao is a Science Graduate, PGMP from Institute of Management, Bangalore and Diploma in Commodity Market from Wellingar Institute and has experience of about 30 years in the different organisation of repute.

Shri A. Raghavendra Rao is a strategic, hand-on Agri Commodities Management professional with proven record in entrepreneurship cross-functional leadership including sales, marketing (institutional and retails), operations, supply chain, international trade and profit centre responsibility with large global organisations in multi commodities. Ability to demonstrate great leadership skills and work with minimal supervision and in matrix environment, quickly adaptable to change and believing in personal growth by achieving organizational goals. Considering his vast and rich experience, the Board of Directors proposed the appointment of Shri A Raghavendra Rao as Whole-time Director of the Company.

### 2) Past Remuneration

He was appointed as CEO of the Company and draw the Remuneration as under:-

Salary including Allowances of Rs. 5,21,667/-

Ex-gratia, LTA & Medical as per Company rules

Car as per Company's policy

### 3) Recognition or Awards:

Nil

### 4) Job profiles and his suitability

Shri A. Raghavendra Rao has been entrusted with powers of the management of business and affairs of the company. Shri A. Raghavendra Rao plays a major role in providing through leadership and strategic input in the company.

### 5) Remuneration proposed

As stated in the Explanatory Statement of the notice item no. 3 & 4.

### 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The remuneration to Shri A. Raghavendra Rao is in sync with his peers and is commensurate with his qualification, experience, the size of the company.

### 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Shri A. Raghavendra Rao does not have any pecuniary relationship with the company except remuneration drawn as Whole-time Director.

## III Other Information

### 1) Reason of loss or inadequate profits:

Company is in Food Processing Industry and could not achieved the expected revenue.

### 2) Steps taken or proposed to be taken for improvement:

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

**3) Expected increase in productivity and profits in measurable terms:**

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

**IV Disclosures****Disclosure in the Board of Directors' report under the head 'Corporate Governance' attached to the Annual Report:**

The requisite details of remuneration etc. of Directors are being included in the Corporate Governance forming part of Annual Report of the Company.

**Item 5.**

Mr. Rajendra Kumar Mishra (DIN 07905342) was appointed as an Additional Director by the Board on recommendation of Nomination & Remuneration Committee with effect from 16<sup>th</sup> August, 2017 pursuant to Section 161 of the Companies Act, 2013. Mr. Rajendra Kumar Mishra will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Rajendra Kumar Mishra for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Shri Rajendra Kumar Mishra IRSME, is graduate and post graduate in Mechanical Engineering from IIT, Kanpur has wide experience in various Administrative capacities of Indian Railways.

The resolution seeks the approval of members for the appointment of Shri Rajendra Kumar Mishra as an Independent Director of the Company for a term up to 15<sup>th</sup> August, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Rajendra Kumar Mishra, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

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

No director, key managerial personnel or their relatives, is interested or concerned in the resolution except to the extent of their respective interest as shareholders of the company

Shri Rajendra Kumar Mishra, to whom the resolution relates, is interested or concerned in the resolution due to his appointment.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

**Item 6.**

Shri P.N. Sharma was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He holds office as Independent Director of the Company up to 25<sup>th</sup> May, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Shri P.N. Sharma, has recommended reappointment of Shri P.N. Sharma as Independent Director for a second term of 3 (three) consecutive years i.e. from 26<sup>th</sup> May, 2019 to 25<sup>th</sup> May, 2022. The Board, based on the performance evaluation of Shri P.N. Sharma and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by him during his tenure, the continued association of Shri P.N. Sharma would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Shri P.N. Sharma as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director can hold office for a term upto five consecutive year on the Board of Company and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Shri P.N. Sharma has given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Shri P.N. Sharma for the office of Independent Director of the Company. The Company has also received declaration from Shri P.N. Sharma that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Shri P.N. Sharma fulfil the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Shri P.N. Sharma is independent of the management. Details of Shri P.N. Sharma is provided in the "Annexure" to the Notice pursuant to the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

No director, key managerial personnel or their relatives, is interested or concerned in the resolution except to the extent of their respective interest as shareholders of the company





Shri P.N. Sharma, to whom the resolution relates, is interested or concerned in the resolution due to his appointment.

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

#### Item 7.

The Existing Articles of Association ("AOA") of the Company are based on Companies Act, 1956. In order to bring the existing AOA of the Company in line with the provisions of the Companies Act, 2013 (the "Act"), the Company will have to make numerous changes in the existing AOA. It is therefore considered desirable to adopt a Comprehensive new set of Articles of Association of the Company ("New Articles), in substitution of and to the exclusion of existing AOA.

Pursuant to the provision of section 14 of the Act, approval of the shareholders of the company by way of special resolution is required for the adoption of the New Articles to replace existing AOA and accordingly, the approval of the shareholders is being sought for the adoption of the New Articles.

A Copy of the proposed New Articles to be adopted are available for inspection by the members at the Registered Office of the Company during normal business hours on

all working days from the date of dispatch of notice, upto the date of Annual General Meeting and is also available on the website of the Company at [web link https://www.flexfoodsltd.com/pdf/corporate-announcements/Articles\\_of\\_Association.pdf](https://www.flexfoodsltd.com/pdf/corporate-announcements/Articles_of_Association.pdf)

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 7 of the Notice except to the extent of their shareholding in the Company.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 7 of the Notice for the approval of the Member.

By Order of the Board

Place : NOIDA  
Date : 26<sup>th</sup> May, 2018

**Rajesh Dheer**  
Company Secretary  
FCS No. 3060

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

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

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

Name of Director	Shri Ashok Chaturvedi	Shri A. Raghavendra Rao	Shri Rajendra Kumar Mishra	Shri Paresh Nath Sharma
Date of Birth	15.10.1956	19.06.1966	08.05.1957	15.08.1949
Date of Appointment	05.02.1990	14.08.2017	16.08.2017	26.05.2016
Experience in specific Functional areas	Chief Promoter of UFLEX Group of Companies who had set up the business himself being the first generation entrepreneur and has in depth knowledge of business of the company..	He is Science Graduate having an experience of approx 30 years in the field of Agri Commodities	He is post graduate in Mechanical Engineering from IIT, Kanpur and wide experience of working in various administrative capacities.	He is Chartered Accountant having wide and varied experience in the field of Finance and other related areas.
Qualification	B.Sc.	Graduate	Post Graduate	Chartered Accountant
Terms and Conditions of appointment or re-appointment	Shri Ashok Chaturvedi retires by rotation at the ensuing Annual General Meeting	Shri A. Raghavendra Rao was appointed as Additional Director and Whole-time Director on 14.08.2017 and he is proposed to be appointed as regular Director at the ensuing Annual General Meeting liable to retire by rotation	Shri Rajendra Kumar Mishra was appointed as Additional Director on 16.08.2017 and he is proposed to be appointed as Independent Director of the Company for a term of three years from 14.08.2017 to 15.08.2020 not liable to retire by rotation	Shri P.N. Sharma is proposed to be re-appointed as an Independent Director of the Company for second term.



Name of Director	Shri Ashok Chaturvedi	Shri A. Raghavendra Rao	Shri Rajendra Kumar Mishra	Shri Paresh Nath Sharma
Remuneration sought to be paid	Nil	As mentioned in the Notice of the ensuing Annual General Meeting	Nil	Nil
Remuneration last drawn	Nil	Total Remuneration drawn as CEO from 29.05.2017 to 13.08.2017 is Rs.14.69 Lacs	Nil	Nil
Shareholding in the Company	7610 Equity Shares	Nil	Nil	Nil
Relationship with other Directors, Manager and other key managerial personnel	Not related to any other Directors and other key managerial personnel of the Company	Not related to any other Directors and other key managerial personnel of the Company	Not related to any other Directors and other key managerial personnel of the Company	Not related to any other Directors and other key managerial personnel of the Company
No. of Meeting of the Board attended	4	2	2	4
Directorship in other Public Limited Companies / excluding private companies which are subsidiary of public company	1. Uflex Ltd. 2. U Tech Developers Ltd.	Nil	Nil	1 Singer India Ltd. 2 Baldyanath Finance and Leasing Ltd. 3 Ultimate Flexipack Limited
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	<b>Committee of Directors</b> 1) UFLEX Limited (Chairman) 2) Flex Foods Limited (Chairman)  <b>Nomination and Remuneration Committee</b> 1) Flex Foods Limited	<b>Committee of Director</b> 1 Flex Foods Limited  <b>Stakeholders' Relationship Committee</b> 1 Flex Foods Limited  <b>Corporate Social Responsibility Committee</b> 1 Flex Foods Limited	<b>Audit Committee:</b> 1 Flex Foods Limited  <b>Stakeholders' Relationship Committee</b> 1 Flex Foods Limited  <b>Nomination and Remuneration Committee</b> 1 Flex Foods Limited  <b>Corporate Social Responsibility Committee</b> 1 Flex Foods Limited	<b>Committee of Director</b> 1 Flex Foods Limited  <b>Audit Committee:</b> 1 Singer India Ltd (Chairman) 2 Flex Foods Limited (Chairman) 3 Ultimate Flexipack Limited  <b>Stakeholders' Relationship Committee</b> 1 Singer India Limited 2 Flex Foods Limited (Chairman)  <b>Nomination and Remuneration Committee</b> 1 Flex Foods Limited (Chairman)  <b>Corporate Social Responsibility Committee</b> 1 Flex Foods Limited Chairman)