

Management Discussion

Unidentified Speaker

[Starts Abruptly] MJMJ & Associates, LLP, Chartered Accountants, the Statutory Auditors of the Company. Mr. Mahesh Kumar Gupta, Practicing Company Secretary, the Secretarial Auditors of the Company. Mr. Punit Mittal from Beetal Financial & Computer Services Pvt. Ltd. the Registrar & Share Transfer Agent of the Company has joined as the host/moderator for this Annual General Meeting. I, welcome all the Board Members and other panelists for being present with us today. Mr. Ashok Chaturvedi, Chairman of the Company, could not join the meeting due to certain business exigencies. May I, therefore, request Directors present at the meeting to elect one amongst themselves to be the Chairman of the meeting. Directors present has proposed the name of Mr. Rahul Razdan, the Whole-time Director & CEO of the Company to Chair the meeting.

Rahul Razdan - Whole-time Director & CEO, Flex Foods Ltd

I thank the Board members for electing me to chair the 36th AGM of the Company.

Unidentified Speaker

The participation of members through Video Conference is being reckoned for the purpose of quorum as per circular of the Ministry of Corporate Affairs. Quorum for the meeting being present, I request the Chair to call the meeting to order.

Rahul Razdan - Whole-time Director & CEO, Flex Foods Ltd

Quorum is present and I call the meeting to order.

Unidentified Participant

I request Mr Razdan to please go for the chairman speech.

Rahul Razdan - Whole-time Director & CEO, Flex Foods Ltd

Dear Shareholders, Good morning, ladies and gentlemen. It gives me immense pleasure to welcome you to the 36th Annual General Meeting of your Company. On behalf of the Board of Directors, I sincerely thank each one of you for your continued trust, confidence and unwavering support.

The financial year under review was marked by an exceptionally dynamic global environment. Heightened geopolitical tensions, disruptions in the international trade, energy market volatility, inflationary pressures and evolving supply chain dynamics continued to challenge businesses worldwide. Despite these circumstances, the Indian economy remained one of the fastest growing major economies, supported by strong domestic demand, stable macroeconomic fundamentals and progressive government policies.

Against this backdrop, your Company demonstrated resilience and operational strength while continuing to strengthen its position in the global food processing industry. During the year, your Company recorded Revenue from Operations of INR191.89 crore, registering a growth of nearly 28% over the previous year's revenue of INR150.01 crore. The value of finished goods sold increased significantly from INR148.60 crores to INR190.05 crore, reflecting improved market demand and stronger customer acceptance across our product portfolio. More importantly, after reporting a negative EBITDA in the previous financial year, the Company achieved a positive EBITDA during the current financial year, and this demonstrates the effectiveness of our operational initiatives and capacity utilization and our continuous focus on productivity, cost optimization and operational efficiencies.

While profitability at the net level continued to remain under pressure, primarily due to foreign exchange losses on outstanding foreign currency borrowings and increased finance costs associated with the stabilization of our Krishnagiri project, the underlying operating performance of the business has shown encouraging improvement.

Industry Outlook. The global food processing industry continues to benefit from changing consumer lifestyles, increasing urbanization, growing health awareness and rising demand for convenience foods. Consumers today increasingly prefer products that are natural, nutritious, minimally processed and have longer shelf life. These trends are creating significant opportunities for freeze-dried, air-dried and individually quick frozen products in the market. India is uniquely positioned to benefit from this transformation. With abundant agricultural resources, favorable demographics, supportive government policies and growing investments in food processing infrastructure, the sector offers tremendous long-term growth potential. We believe, India's food processing industry is entering a new phase of value creation, export expansion and technological advancement.

Your Company continues to be recognized as one of India's leading manufacturers and exporters of premium-quality Freeze-Dried, Air-Dried and IQF Mushrooms, Herbs, Fruits and Vegetables. For more than a decade, we have built a strong reputation in international markets by consistently delivering products that meet the highest standards of quality, food safety and customer satisfaction. Our manufacturing facilities at Dehradun and Krishnagiri are equipped with advanced processing technologies that enable us to serve customers across Europe, North America, Australia and several other international other key markets.

The successful stabilization of our Krishnagiri facility represents an important milestone in our long-term growth journey. This facility strengthens our manufacturing capabilities, enhances production flexibility and positions the Company to meet future demand more efficiently. There were focus Areas. Going forward, our strategy remains centered around five key priorities. First, we shall continue to expand our presence in high-value global markets, while strengthening relationships with our existing customers. Second, we will continue to diversify our product portfolio by developing innovative, value-added products aligned with evolving consumer preferences. Third, we shall focus on operational excellence through automation, process optimization and efficient resource utilization to improve margins and competitiveness. Fourth, sustainability will remain integral to our business philosophy. We remain committed to responsible sourcing, environmental stewardship, food safety, employee wellbeing and good corporate governance.

Finally, we will continue investing in the quality, innovation and customer service, which have always been the cornerstone of our success. We are also actively exploring emerging opportunities in the rapidly growing global fruit snack segment, which offers attractive long-term growth potential.

The Board continues to closely monitor evolving global developments, including geopolitical uncertainties, currency volatility, trade policies and supply chain risks. Our robust internal control framework, disciplined risk management practices and strong governance standards enable us to respond proactively to changing business conditions. Despite the external uncertainties, we remain confident that our diversified product portfolio, strong customer relationships and expanding manufacturing capabilities will continue to support sustainable long-term growth.

People. Our employees remain our greatest strength. I would like to express my sincere appreciation to every member of the Flex Food family for their dedication, resilience and commitment during another challenging year. I also thank our customers, suppliers, bankers, business partners and all

stakeholders for their continued support and confidence in the Company. I place on record my gratitude to my fellow Directors for their valuable guidance and strategic direction throughout the year.

Finally, I extend my heartfelt thanks to you, our shareholders, for your continued faith in the Company. Your trust inspires us to strive for excellence and create sustainable long-term value. With our sustained, strengthened manufacturing base, improving operational performance, expanding global opportunities and committed workforce, I remain confident that your Company is well positioned to achieve sustainable and profitable growth in the years ahead. Thank you once again for your continued support. I now request Mr. Himanshu Luthra, Company Secretary of the Company to proceed with the formal business of the Meeting. Thank you very much.

Unidentified Speaker

Thank you. Mr. Razdan. With the permission of the Chair, let me quickly take you through the general instructions to members for participation in the meeting. As mentioned earlier, the facility of joining this meeting through PC is made available to 1000 members of the company on first come first serve basis for the last shareholders. Directors camps and institutional investors can also join the meeting. Registered Office of the Company at Dehradun will be deemed venue for the meeting and all the proceedings of AGM shall be deemed to be made therein. Register of Directors and Key Managerial Person and the Register of Contracts are available electronically at the website of the Company for inspection of the members during the AGM.

Pursuant to MCA Circles, the facility for appointment of proxy by the Members is not applicable, and therefore the proxy register is not available for inspection. Similarly, facility for voting by show of hands is not available. The Company has provided the facility to cast votes electronically by remote voting on all resolutions set forth in the notice from 13th July 2026, 9:00 a.m., 15th July 26th 5:00 p.m. Members who have not casted their votes via remote e-voting and more participating in the meeting will now have an opportunity to cast their votes today through the e-voting system provided by CDSN. E-voting facility is already open for members to cast their vote and shall be available for 30 minutes after this meeting.

The Board of Directors has appointed Mr. Mahesh Kumar Gupta, practicing company secretary as scrutinizer to supervise the e-voting process. He is also present as panelist. The resolution set forth in the notice shall be deemed to be passed today subject to reception of requisite majority votes. The result of this AGM will be posted on website of the Company, sent to Stock Exchange and given to the Service Provider, CDSN.

Business of the meeting notice of 36 annual general meeting along with Directors Report, Statutory Auditors and Secondary Auditor Report and annual accounts for FY2526 have been sent to the Members within the prescribed timelines. Also, in accordance with the Circulars of the Ministry of Corporate affairs, the Company has given mandatory pre and post dispatch advertisements regarding the AGM dated June 12, 2026 and June 20, 2026. Since the notice has been circulated with the shareholders, we take the notice dated 19 May 2026 Office 36 Annual General Meeting as read. Further, members may note that there are no qualifications, observations or adverse remark in the report of statute, auditors and secondary loiters for FY'25, '26. These reports being unqualified are to be taken as read. Business for the AGM, business to be transacted through e-voting at the meeting today's ordinary business. Item number one of the notice Ordinary resolution consider and adopt audited financial statements of the company or the financial year ended March 31, 2026 together with the reports of the board of directors and the auditors thereon.

Item number two of the notice, ordinary resolution to appoint a director in place of Mr. Ashok Chaturvedi, Chairman who retires by rotation and being eligible offers himself for reappointment. Special business item number three of the notice, Special Resolution for Reappointment of Mr. Pradeep Narendra Poddar as an independent director of the Company for a second term of five consecutive years commencing with effect from July 21, 2026.

Item number 4 of the Notice, Special Resolution for appointment of Mr. Paresh Nath Sharma as an independent director of the Company for a first term of three consecutive years commencing with effect from May 19, 2026. I would like to bring to the notice of the panelist and the shareholders that the company has received queries from the shareholders and request from certain shareholders to be a speaker at the meeting. To answer these queries from the shareholders, may I request Mr. Razdan, Director CEO of the of your company to address them? Mr. Razdan, please.

Rahul Razdan - Whole-time Director & CEO, Flex Foods Ltd

Yeah. We've got certain queries from the shareholders and I would like to take a few of them. The first one is where do you see the industry in the next three years and where will our company be placed on the same. So basically if you look at the industry, it's a fast growing industry especially the fruit segments, and I would like to inform you that your company is also taking a lot of steps in the same direction, and we are now included have included lot of fruits into our portfolio and this should enable us to grow along with the industry and also to strengthen our market share in the international market.

Again the question come, what is the outlook for financial year 2027 in terms of the top line and bottom line? The management expects the coming year to benefit from the improving utilization of our capacities, a richer product mix, new customer additions and also continued cost discipline. Directionally we are working towards growth in both the revenue and the profitability, and our progress will be visible in the quarterly disclosures to the exchanges.

What is a sustainable steady state EBITDA margin we can expect going forward? The management believes that the capacity utilization improves the share -- improves the share of the value addition added freeze dried products grows, and our cost optimization initiative takes full effect. The company operating margin should progressively strengthen and settle at a healthy sustainable level consistent with the best of our historical performances. Our endeavor is to build margin profile that is resilient across the business cycle.

Can we reach the operating margins we used to achieve earlier, and what revenue levels with the increased asset base? The management believes that the margin level achieved by the company in the earlier years are attainable again. The key enablers are full utilization of the enlarged asset base, operating leverage from the higher volumes and an improving mix of higher margin value addition products. As a newer capacity scales up, the fixed cost gets absorbed over the large revenue base which should progressively restore the margins towards those level.

What is the percentage of our revenue comes from the mushroom versus the other good products? The segment wise and product wise revenue composition to the extent required to be disclosed is already available in the annual report and investor presentations. Directionally, the share of the value added freeze dried products in our revenue mix has been rising and it is in line with our strategy as well.

Is there a margin difference between the mushroom spices and the fruit vegetable segments? Yes, margin do vary and also it varies across the product category driven by the degree of the value

addition processing technology, raw material dynamics and end market pricing.

What is the capacity at the Krishnagiri unit and the revenue we can generate at the optimum utilization? The Krishnagiri unit is a modern freeze drying facility that materially enhances the company's overall capacity. At the optimal utilization, the freeze dried -- the unit is capable of contributing significantly to the company's revenue given the superior realizations that the freeze dried products commands.

At what level of the revenue or the capacity will this unit break even? The management expects the facility to reach and cross the breakthrough break even threshold as utilization ramps up over the coming period, beyond which the operating leverage inherent in the freeze drying business should contribute meaningfully to the profitability.

What is the maximum volume or the revenue that can be produced at the optimum utilization level and three shifts. Our freeze drying operations are designed for the continuous multi shift working and the plant already operates on that basis. At the full utilization of all the capacity, the company has substantial headroom to grow volumes revenue from the current levels without additional major capital expenditure. The available operating leverage is one of the most important value drivers for the company over the medium term.

Do we supply any of our mushroom to the pharma industry? Our product currently is served primarily the food and beverage industry including seasonings, instant foods, health food and culinary application. The nutraceutical and the life segment represent an adjacent opportunity that the management continues to evaluate and we will pursue such opportunities where when we met our quality and regulatory and the commercial criterias.

Have we seen any negative impact from the inquiries against the Indian processed food industry has not experienced any material adverse impact on its business.

What are our capex plans plan for the next two to three years and what is the annual maintenance capacity? Having recently completed a significant capacity expansion the company immediate priority is to sweat the existing assets and drive utilization rather than to undertake any major new capital expenditure.

Who are our major competitors and how do we differentiate our products and what are our major customers? The company operates in a specific segment with a limited number of organized players in India and in select international competitors.

Are we certified to sell our produce in the developed market and can be pivoted when one geography suffers? Yes, the company facilities holds the international food safety and quality certification required to serve developed markets, and our products are exported to the multiple geographies and across the Europe, Americas and the Asia.

Can we expect an improvement in our cash conversion cycle? Yes, Improving the cash conversion cycle is a stated priority. The management is working on optimizing inventory levels through the better production planning, tightening receivables management and negotiating improved terms with the suppliers. As the utilization of the newer capacity improves and the sales mix standard, we expect the working capital cycle to progressively improve releasing the cash for the debt servicing and the growth.

What are the benefits subsidies do we receive from the government and what cash inflows can be expected over the next two to three years? The company avails the incentives and the benefits available to the food processing sector under the applicable central or the state government

schemes including the export linked and industry promotion benefits as disclosed in the financial statements.

What is the cost of debt from the banks? The company banks borrowing are a competitive rates, consistent with the prevailing market conditions and the company's credit profile.

After what rate have the promoters and related parties provided loans? Loans from the promoters and the related parties, wherever availed and whenever availed, are on the terms that are compliant with the applicable law and at an arm's length duly reviewed and approved by the Audit Committee and the Board.

How are our raw material sourcing arrangements? The company follows a diversified de-risk sourcing strategy for herbs. We are progressing a contract farming model. For fruits and vegetables, we have broadened our vendor base and have also explored import for certain select items, their quality and commercial consideration vaults.

What is our pricing arrangement with the customers, price pass through or fixed price contracts? The company customer arrangements are typically structured around the periodic price settlements rather than the long term fixed prices which allows raw material and cost movements to be reflected in the realizations over reasonable intervals. For certain contracts and campaigns, prices are agreed and defined periods are also agreed with appropriate cost visibility. The balanced approach protects margins while presenting the stability and long-term customer relationships.

What is the expected IRR we aim for before embarking on any capex or additional investment? Every capital investment proposal is evaluated against the rigorous financial criteria, including the projected returns well in excess of the company's cost of capital payback period and strategic fails. Capital allocation is exercised with discipline. Capex is sanctioned only when it is expected to create clear value over the company's cost of capital.

Export Growth Strategy. What initiatives are being undertaken to expand the new international markets and reduce the dependence on the limited number of countries? The management is actively developing new geographies through the participation in the international food exhibitions, engagement with the new customers and distributors, product registrations and certifications for the additional markets and customized product development for the regional preferences. The initiatives are designed to progressively reduce concentration in any single market and to build more balanced and resilient export portfolio.

Capacity utilization. What was the average utilization during the year, and does the Board expect improvement without significant additional capex. Our freeze drying operations ran at the full capacity during the year in Dehradun and we have planned a full utilization of the freeze drying plants in the current year as well in both the plants. Importantly, the company's growth over the medium term can be substantially achieved by improving the utilization of the existing asset base, particularly the new Hosur facility.

Value-Added Products. What percentage of the revenue comes from the freeze dried and the value-added products and what is the target over the next three to five years? Value-added freeze dried products already constitutes the dominant share of the company's revenue and in our key markets they contribute a substantial majority of the sales. Our strategic intent over the next three to five years is to further increase this share supported by new product launches such as the freeze dried curd, yogurt, strawberry and by ramping up our newer freeze dried capacity. The mix enrichment is central to our margin improvement journey.

Foreign Exchange Risk. What is the company's forex risk management policy, and what extent are the export earnings hedged? As an export oriented company, foreign exchange risk is monitored closely and managed under the robust framework. The Company benefits from the degree of the natural hedge as well.

Raw Material Availability. What long-term sourcing strategy has the company adopted to ensure reliable supply of the quality raw material? The Company has adopted a multi-layered sourcing strategy to address climate and agricultural risk. We have a contract farming model for the herbs and have a long term relationship with the farmers which is there for the last 32 years in North India, and we are developing similar in the South India as well. We are continuously adding new growing zones so that the crop failure in one region does not disrupt our supply. For fruits and vegetables, we have expanded our vendor base and also explored import of certain fruits where the quality and the commercial terms are favorable. Together these measures ensures continuity, quality and the cost competitiveness in our raw material supply.

Research and Product Innovation. What new products or technologies were introduced during the year, and how much does the company invest in the R&D. Product innovations remains the central to our strategy. During the year, the company introduced freeze dried curd, freeze dried yogurt which are the first of the kind products as well as the freeze dried strawberry and freeze dried coffee from our new facility, all of which have received an encouraging market response, and we are continuously monitoring the same so that we can improve our EBITDA as well as improve our market share in this segment.

ESG and Sustainability. What measurable initiatives has the Company taken on the water, energy, food waste and emissions and how do these contribute to the efficiency? Sustainability initiatives at the Company are designed to deliver both environmental and operational benefits. Over the past few years we have replaced diesel based boilers with the biofuel boilers, materially improving the fuel efficiency and reducing the emissions, and we have begun utilization of the bio waste generated by our drying operations as a boiler fuel. Converting the waste stream into the energy resource, alongside our energy conservation and waste reduction program continues across all the units. These initiatives directly lower our operating costs and reduce environmental footprint.

Dividend Policy. What is the Board's long term philosophy on the dividends and enhancing shareholder return? The Board philosophy is to balance rewarding shareholders with the imperative of the strengthening the company for long-term value creation. In the current phase, the priority is to consolidate the recent capacity expansion, improve utilization, strengthen cash flows and reduce the leverage. As the profitability and the free cash flows improve on the sustained basis, the Board will duly consider distributions to the shareholders and in line with the applicable regulations and the Company's capital requirement.

Long Term Vision. Where does the Board envision Flex Foods over the next five years, and what are the major risks to these objectives. Over the next five years, the Board envisions Flex Foods as a clear leader in the value added, freeze dried and processed food products from India with a substantially larger revenue base, healthy and sustainable margins, a diversified global customer footprint and a strengthened balance sheet. These three principal risk to the vision are first, agro-climatic risk affecting the raw material availability and cost. Second, geopolitical and demand uncertainties in the key export markets including the currency volatility. Third, the competitive intensity in the value added food space. The company diversified sourcing strategies, multi market presence, hedging frameworks and continuous innovations are specifically designed to mitigate

each of these risks.

These are some of the queries which we have received. And if there are any more, I request the company secretary to take it forward and let me know.

Unidentified Speaker

Thank you. Now I request Mr. Pun M from V10 to have speakers unmuted. You have received few requests, so please take them one by one. Speakers unmute [Foreign Speech]

Ankur Chanda.

Okay. Consistently. Profit [Foreign Speech]

Himanshu Luthra - Company Secretary, Flex Foods Ltd

Thank you. Thank you. Thank you. Next speaker. Mr. Kapil Chopra. [Foreign Speech]

Punit Mitta

[Foreign Speech]

Himanshu Luthra - Company Secretary, Flex Foods Ltd

[Foreign Speech]

Unidentified Speaker

[Foreign Speech] I'm moving to the proceeding with this. Moving to the proceedings now. As mentioned earlier, members may note that e-voting facility will remain open for 30 minutes after close of the meeting. Therefore, members who have not casted their votes are requested to do so. The results of the voting will be declared by posting the same on the company's website and sending it to the stock exchange. I thank all the shareholders, directors and other stakeholders who have taken their time to attend the meeting through video conferencing. The board and the management of the company wish you to stay healthy and safe. Thank you.

Rahul Razdan - Whole-time Director & CEO, Flex Foods Ltd

Thank you very much, sir.

Unidentified Speaker

Meeting stands closed from here.

Punit Mitta

Thank you.

Himanshu Luthra - Company Secretary, Flex Foods Ltd

Thank you. Thank you, sir. Thank you. Thank you, Mr. Punit.

Punit Mitta

Thank you.