



VALENCIA NUTRITION LTD

CIN: U51909KA2013PLC068380

To,
BSE Limited,
Corporate Relations Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai
Maharashtra – 400 001

Security Code: 542910

Dear Sir/madam,

Sub: Submission of Annual Report of the Company for the FY 2019-20

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the Financial Year ended on March 31, 2020.

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For **VALENCIA NUTRITION LIMITED**



Sd/-
Adarsha K R
Company Secretary
ACS: 43156

Date: 07.09.2020
Place: Bengaluru



VALENCIA NUTRITION LIMITED

7th Annual Report FY 2019-20



CORPORATE INFORMATION

BOARD OF DIRECTORS:

Sl. No.	Name of Directors	Designation
1	Mrs. Deepthi Anand	Managing Director
2	Mr. Manish Turakhia	Chairman & Non-Executive Director
3	Ms. Prabhha Shankarran	Executive Director
4	Mr. Stavan Ajmera	Non-Executive Director
5	Mr. Haresh Sanghvi	Non-Executive Director Independent Director
6	Mr. Guhesh Ramanathan	Non-Executive Director Independent Director

KEY MANAGERIAL PERSONNEL:

- ✦ Mr. Peeyush Agrawal (Chief Financial Officer)
- ✦ Mr. Adarsha K R (Company Secretary)

REGISTERED OFFICE:

D. No. 134, 6th Main, 1st Block, Banashankari,
3rd Stage, Bangalore – 560085

STATUTORY AUDITOR:

M/s MANIAN & RAO,
Chartered Accountants
(Firm Registration No. 001983S)
No. 361, 1st Floor, 7th Cross,
Jayanagar 1st Block,
Bangalore – 560079

CORPORATE OFFICE:

No. 11, 7th Block, 33rd Main,
Banagirinagar, Banashankari 3rd Stage,
Opp. Vasant Oasis, Makwana Road, Marol,
Bengaluru – 560085

REGISTRAR AND SHARE TRANSFER AGENT:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai – 400 059

BANKERS:

- ✦ HDFC Bank

Request to Members

Members are requested to send their queries, if any, relating to the annual report, shareholding, etc., to the Company Secretary at the Corporate Office of the Company, on or before Wednesday, September 23, 2020, so that the answers / details can be kept ready at the Annual General Meeting.

Mr. Adarsha K R (Company Secretary)

#11, 7th Block, 33rd Main, Banagirinagar,
Banashankari 3rd Stage, Bengaluru – 560 085

Tel: 080 – 26799552

Mail Id: info@valencianutrition.com

NOTICE

NOTICE is hereby given that the **Seventh Annual General Meeting** of the Members of **Valencia Nutrition Limited** will be held on **Wednesday, September 30, 2020 at 11:00 A.M.** at **#11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd Stage, Bengaluru – 560 085** to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board and the Auditors thereon;
- 2) To appoint a Director in place of Ms. Shankarran Prabhha (DIN: 07906258), who retires by rotation and being eligible, offer herself for re-appointment. and
- 3) To consider and, if thought fit , to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 139 and 142 and 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 Rules made thereunder as amended from time to time, M/s. Manian & Rao, Chartered Accountants (Firm Registration No. 001983S) who have confirmed their eligibility for the appointment pursuant to Section 141 of the Act as Statutory Auditors of the Company be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting to hold such office for a period of five years till the conclusion of Twelfth Annual General Meeting at such terms and Remuneration as may be agreed upon to conduct the Statutory Audit of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act) and Details of directors to be re-appointed, in respect of the business as set out in the Notice is annexed hereto.
2. This Notice is being to members of the Company as appearing in Register of Members.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE BLANK PROXY FORM IS ENCLOSED.**
4. Members/Proxy holder/Authorized Representative are requested to bring duly filled Attendance Slip enclosed herewith along with their copy of the Notice to attend the Meeting.
5. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and

manner of e-voting along with the Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

6. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. Relevant documents referred to in the Notice, statutory registers will be available for inspection by the members at the Registered Office of the Company during normal business hours on working days. Members desiring to seek information with respect to the businesses in this notice are requested to send their queries at least Seven days before the date of the meeting so that the information can be made available at the meeting.
9. A route map showing directions to reach the venue of the meeting is given in this Notice.
10. Once the vote on a resolution is cast by the member, the member shall not allow changing it subsequently. Further, members who have casted their vote electronically shall not vote by way of poll, if held at the meeting. To provide an opportunity to vote at the meeting to the shareholders, who have not exercised the remote e-voting facility, shall be provided ballot papers before the commencement of the meeting. Any person who is not a member as on the cut-off date should treat this notice for information purpose only.
11. Member holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA viz. Bigshare Services Private Limited.
12. 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 their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company/ RTA viz. Bigshare Services Private Limited.
13. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 24, 2020 to Wednesday, September 30, 2020.**
14. **Voting through electronic means**
 1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
 2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 3. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 4. The remote e-voting period commences on **Sunday, September 27, 2020 (9:00 a.m.)** and ends on **Tuesday, September 29, 2020 (5:00 p.m.)**. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, September 23, 2020**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:
5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhatvighnesh@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

15. 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 at the AGM through ballot paper.
16. M/s. VB & Associates represented by its Proprietor Mr. Vighneshwar Bhat, Practicing Company Secretary (C.P. No.: 10012) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
17. The Chairman shall, at the AGM, 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” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
18. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 the 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 the voting forthwith.
19. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.valencianutrition.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

20. GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual reports, notices, circulars to shareholders at their e-mail address previously registered with the depository participants (DPs)/company/registrar and share transfer agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the endeavor to save trees and protect the planet. Those holding shares in demat form can register their email address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Bigshare Services Pvt. Ltd, by sending a duly filed "registration / updation of shareholder information form" available on the website of the Company, duly signed by the first /sole holder quoting details of folio no.

21. As per regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact Company or Company's Registrar and Transfer Agents of the Company for any support in this regard.

22. All queries relating to Share Transfer and allied subjects should be addressed to:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road,
Marol, Andheri East,
Mumbai – 400 059

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT") & RULES MADE THEREUNDER AND APPLICABLE LAWS

Item No. 3

The members of the Company to fill casual vacancy created due to resignation of earlier Auditor, approved the appointment of M/s. Manian & Rao, Chartered Accountants, (ICAI Firm Registration No.: 001983S) as the Statutory Auditors of the Company for conducting Statutory Audit of the Company for the FY 2019-20 through Postal Ballot e-voting. The term of the Statutory Auditors M/s. Manian & Rao will be completing on conclusion of this AGM. The present remuneration of Auditors for conducting audit of standalone accounts of the Company for the financial year 2019-20 is INR 1.05 Lakhs plus applicable taxes and reimbursement of out-of-pocket expenses incurred on actual basis.

The Board of Directors of the Company ('the Board'), on recommendation of Audit Committee, recommended the appointment of M/s. Manian & Rao, Chartered Accountants (Firm Registration No. 001983S), as the statutory auditors of the Company for approval of members for a term of five years from the conclusion of this AGM till the conclusion of the 12th AGM.

The Board and the Audit Committee considered various parameters like size of the firm, capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, technical knowledge of the team etc., and found Manian & Rao to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

The Board will decide on the professional fees plus applicable taxes and reimbursement of out of pocket expenses at the actuals, if any to be paid to the Auditors based on the mutual discussion with the Auditors for the financial year 2020-21, towards carrying out the statutory audit of the Company.

M/s. Manian & Rao have consented to act as the Statutory Auditors and have confirmed that the said appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act.

Accordingly, the Board of Directors recommends the resolution set out at item no. 3 for approval of members of the Company as an ordinary resolution.

None of the Directors, Promoters and Key Managerial Personnel of the Company or their respective relatives except to the extent of their shareholding entitlements, if any, are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

Registered Office:

D. No. 134, 6th Main, 1st Block, Banashankari,
3rd Stage, Bangalore - 560085

Tel : 080 – 26799552

CIN:U51909KA2013PLC068380

Website: <http://www.valencianutrition.com>

Email:info@valencianutrition.com

By Order of The Board of Directors
For VALENCIA NUTRITION LIMITED

Sd/-

Adarsha K R

(Company Secretary)

Bengaluru, September 06, 2020

ROUTE MAP TO THE 7th AGM VENUE

Venue Address: #11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd Stage, Bengaluru – 560 085



Annexure – A

The relevant details of directors who is proposed to be re-appointed directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

Particulars	Ms. Shankarran Prabhha
Current Position	Executive Director (Liable to retire by rotation)
Age	50 Years
Qualification	M.com, Diploma in Business Management
Experience	13 years of experience in the field of human resources, operations and management.
Date of first Appointment	December 18, 2017
Remuneration Drawn	Rs. 6.33 Lacs (in FY 2019-20)
Terms and Conditions of Re – Appointment	As per the resolution at item no. 2 of the Notice convening this Meeting.
Number of Board Meetings attended during the year	Attended all the Board meetings held till date in F.Y. 2019-20
Shareholding in the Company	10,400 Equity Shares
Relationship with Other Directors	There is no relationship with any of the Directors
Directorship in other listed entities	NIL
Memberships / Chairmanship of Committees in other Companies	NIL
Other Directorships	NIL

Maiden IPO on BSE Start Up Exchange



Valencia Nutrition Ltd - IPO closed and fully subscribed 27.12.2019

We will attempt building Valencia as those icons in background of our BSE Picture - Gateway of India & Taj Mahal Palace Hotel.



Listing Function January 06, 2020



Graceful presence



Mr. Ashishkumar Chauhan
BSE - MD & CEO



Ajay Thakur
Head -BSE SME & Startup

Lamp Lighting & Gong Ringing Ceremony









Listing Speech











Felicitations



Team Valencia Nutrition



Team Veer Capital



Team Aryaman



Our Esteemed Well Wishers & Investors















Promotors



BOARD'S REPORT

To,
The Members,

Your Directors take pleasure in presenting their *Seventh Annual Report* on the Business and Operations of the Company and the Accounts for the Financial Year ended 31st March, 2020 (period under review).

1. FINANCIAL PERFORMANCE OF THE COMPANY:

The summary of standalone financial highlights for the financial year ended March 31, 2020 and previous financial year ended March 31, 2019 is given below:

Particulars	Amount in Rs.	
	2019-20	2018-19
Total revenue for the year	2,37,40,604	1,49,46,865
Profit before depreciation, exceptional Items & Taxes	(4,21,37,552)	(2,07,68,961)
Depreciation for the year	12,28,002	6,44,959
Profit before exceptional items	(4,33,65,555)	(2,14,13,920)
Exceptional items	-	-
Profit/(loss) before tax	(4,33,65,555)	(2,14,13,920)
Tax for the year (including deferred tax – net)	-	-
Net profit / (loss)	(4,33,65,555)	(2,14,13,920)

FINANCIAL PERFORMANCE:

The Total Income of the Company stood at Rs. 2,37,40,604/- for the year ended March 31, 2020 as against Rs. 1,49,46,865/- in the previous year. The Company incurred a Net loss of Rs. 4,33,65,555/- for the year ended March 31, 2020 as compared to the Net loss of Rs. 2,14,13,920/- in the previous year.

2. DIVIDEND:

As the company incurred net loss during the year, your Directors do not propose any dividends for the Financial Year ending 31st of March, 2020.

3. STATE OF AFFAIRS OF THE COMPANY:

Information on the operations and financial performance, among others for the period under review, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Change in Directors

During the period under review, there was no change in the composition of Board of Directors.

ii. Committees of Board of Directors

During the year Company has constituted below mentioned Committees of Board of Directors:

a. Audit Committee

- Mr. Guhesh Ramanathan – Chairman
- Mr. Manish Turakhia – Member
- Mr. Haresh Sanghvi – Member

b. Nomination and Remuneration Committee

- Mr. Guhesh Ramanathan – Chairman
- Mr. Manish Turakhia – Member
- Mr. Haresh Sanghvi – Member

c. Stakeholder’s Relationship Committee

- Mr. Stavan Ajmera – Chairman
- Mr. Manish Turakhia – Member
- Mrs. Deepthi Anand - Member

iii. Independent Directors

Independent Directors have provided their confirmation, that they meet the criteria of independence as provided in sub- section (6) of Section 149 of the Companies Act, 2013. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company.

There was no change in the composition of Independent Directors during the year.

iv. Retirement by Rotation of the Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Shankarran Prabhha, Executive Director of the Company, retires by rotation and offers herself for re-appointment.

The brief resume of Ms. Prabhha Shagnarran, the nature of her expertise in specific functional areas, names of the companies in which he has held directorships, her shareholding etc. are furnished in the “Annexure A” to notice of the ensuing Annual General Meeting.

v. Key Managerial Personnel

There was no change in Key Managerial Personnel during the year.

5. MEETINGS:

During the year, Eighteen Board Meetings were convened and duly held. The details of which are given in the Corporate Governance Report, which forms part of this report. The intervening gap between the Meetings were within the period prescribed under the Companies Act, 2013.

6. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Guhesh Ramanathan (Chairman), Mr. Manish Turakhia (Member) and Mr. Haresh Sanghvi (Member). Powers and role of the Audit Committee are included in the Corporate Governance Report. All the recommendation made by the Audit Committee was accepted by the Board of Directors.

7. BOARD EVALUATION:

Your Board has devised an Evaluation Policy for evaluating the performance of the Board, its Committees, Executive Directors, Independent Directors. Based on the same, the performance was evaluated for the financial year ended March 31, 2020. As part of the evaluation process, the performance of Non- Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non- Independent Directors was done by the Board excluding the Director being evaluated.

The policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, and relationship with the stakeholders, corporate governance practices, contribution of the committees to the Board in discharging its functions etc.

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Whole Time Director and the Board as a whole was carried out by the Independent Directors at their separate meeting.

8. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **MGT-9** in annexed as a part of this Annual Report as "*Annexure I*".

The weblink for accessing extract of annual return is <https://www.valencianutrition.com>

9. REMUNERATION POLICY:

The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

10. AUDITORS:

i. Statutory Auditors:

The term of existing Auditors M/s. Manian & Rao, Chartered Accountants, Bangalore, will be expiring in the ensuing Annual General Meeting. The Board of Directors has proposed to appoint M/s. Manian & Rao, Chartered Accountants as statutory Auditors of the Company for another period of five years.

ii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed VB & Associates, represented by its Proprietor Mr. Vighneshwar Bhat, a firm of Company Secretaries in Practice (CP No. 10012), to undertake the Secretarial Audit of the Company for the F.Y. 2019-20. The Secretarial Audit Report for F.Y. 2019-20 is annexed herewith as "*Annexure II*".

iii. Cost Auditor:

Appointment of Cost Auditor is not applicable to the Company.

11. AUDITOR'S REPORT:

The Auditor's Report and Secretarial Auditor's Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an Annexure, which forms part of this report.

12. VIGIL MECHANISM:

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established.

13. INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been observed.

14. RISK ASSESSMENT AND MANAGEMENT:

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. Your Company also takes all efforts to train its employees from time to time to handle and minimize these risks.

15. LISTING WITH STOCK EXCHANGES:

During the year Company has got listed in the SME Platform of BSE Limited.

16. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate companies.

17. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. Conservation of Energy

- a) **The steps taken or impact on conservation of energy** – The Operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.
- b) **The steps taken by the Company for utilizing alternate source of energy** – Company shall consider on adoption of alternate source of energy as and when necessities.
- c) **The Capital Investment on energy conservation equipment** – No Capital Investment yet.

ii. Technology absorption

- a) **The efforts made towards technology absorption.** – Minimum technology required for Business is absorbed.
- b) **The benefits derived like product improvement, cost reduction, product development or import**

substitution – Not Applicable.

- c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not Applicable.
- the details of technology imported;
 - the year of import;
 - whether the technology been fully absorbed;
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iii. **The expenditure incurred on Research and Development** – Not Applicable.

iv. **Foreign Exchange earnings and outgo:** NIL

19. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

There were no loans, guarantees provided during the year which is falling under section 186 of the companies Act, 2013.

During the year Company has invested in the shares of Udaya Souharda Credit Co-operative Ltd. Amounting to Rs. 10,000/-.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus Disclosure in form AOC-2 is not required. Further, during the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are placed before the Board for review and approval, if required. The details of the related party transactions as required under Indian Accounting Standard (Ind AS) 110 are set out in Note to the financial statements forming part of this Annual Report.

21. DEPOSITS:

Your Company did not accept / hold any deposits from public / shareholders during the year under review.

22. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

23. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has framed and adopted the policy for Prevention of Sexual Harassment at Workplace. Company was not in receipt of any complaint of sexual harassment during the year.

24. SHARE CAPITAL:

a) Authorized share capital:

During the year the Authorized share capital of the Company has been increased from Rs. Rs. 5,50,00,000/- (Rupees Five Crores Fifty Lakhs only) divided into 55,00,000 Equity Shares of Rs. 10/- each to Rs. 5,70,00,000/- (Rupees Five Crore Seventy Lakhs only) divided into 57,00,000 Equity shares of Rs. 10/- each.

b) Issue / allotment of shares:

- During the year Company has issued and allotted 52,850 Equity shares of Rs. 10 each at a premium of Rs. 590/- per share under Preferential allotment basis.

- During the year Company has issued and allotted 39,51,084 Bonus Equity shares to its existing shareholders in the ratio of 1:12.
- During the year under review the Company has issued 13,05,000 Equity Shares through Initial Public Offering (IPO). Subsequently the Equity Shares of the Company were listed on the SME Platform of BSE Limited.

c) Other information:

The Company has neither issued shares with differential voting rights nor granted any Stock option or sweat equity shares.

25. CHANGES IN NATURE OF BUSINESS

There was a change in nature of Business during the year. Company has substituted the main object no. 1 in the Memorandum of Association with the new objects and also added new objects in clause no. 6 of the Memorandum of Association.

26. CORPORATE SOCIAL RESPONSIBILITY

Since the Company's has not crossed the prescribed limit as mentioned in Section 135 of Companies Act, 2013, this is not applicable to the Company.

27. HUMAN RESOURCES:

Your Company considers people as its biggest assets and 'Believing in People' is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees seek to ensure that business world values and principles are understood by all and are the reference point in all people matters.

The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

28. CORPORATE GOVERNANCE:

The Company has taken adequate steps to adhere to all the stipulations laid down under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance included as a part of this Annual Report.

Certificate from the Practicing Company Secretary of the company confirming the compliance with the conditions of Corporate Governance as stipulated under the SME Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Annual Report.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that

are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

30. CAUTIONARY STATEMENTS:

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

31. ACKNOWLEDGEMENTS:

Your Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company. The Directors express their gratitude towards each one of them.

Registered Office:

D. No. 134, 6th Main, 1st
Block, Banashankari,
3rd Stage, Bangalore -
560085

Tel : 080 – 26799552

CIN:U51909KA2013PLC068380

Website: <http://www.valencianutrition.com>

Email:info@valencianutrition.com

By Order Of The Board of Directors
FOR VALENCIA NUTRITION LIMITED

Sd/-
Deepthi Anand
DIN: 05246641
(Managing Director)
Bengaluru, September 06, 2020

Annexure – I
FORM NO. MGT-9
Extract of Annual return as on financial year ended on 31.03.2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

i	CIN	U51909KA2013PLC068380
ii	Registration Date	April 01, 2013
iii	Name of the Company	Valencia Nutrition Limited
iv	Category/Sub-category of the Company	Public Company / Company Limited by Shares
v	Address of the Registered office & contact details	D. No. 134, 6 th Main, 1 st Block, Banashankari 3 rd Stage, Bangalore - 560085 Tel. No. : 080 – 26799552 E-Mail id: info@valencianutrition.com
vi	Whether listed company	Yes (SME Platform of BSE Ltd)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai – 400 059 Tel. No. : 022 – 62638200 E-Mail id: Vinayak@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	Bounce - Nutritional drinks	11049	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding or Subsidiary or Associate	% OF SHARE S HELD	APPLIC ABLE SECTION
1	NIL	NIL	NIL	NIL	NIL	NIL

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY);
(i) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year (%)
	Demat	Physical	Total	Total (%)	Demat	Physical	Total	Total (%)	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,62,941	-	1,62,941	58.95	21,18,233	-	21,18,233	37.92	(21.03)
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	21,167	-	21,167	7.66	8,60,171	-	8,60,171	15.40	7.74
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	37,500	-	37,500	13.57	5,89,550	-	5,89,550	10.56	(3.01)
Sub Total:(A) (1)	2,21,608	-	2,21,608	80.17	35,67,954	-	35,67,954	63.88	(16.29)
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2,21,608	-	2,21,608	80.17	35,67,954	-	35,67,954	63.88	(16.29)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies corporate									
ai) Indian	-	-	-	-	4,38,000	-	4,38,000	7.84	7.84
aii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lacs	7,250	-	7,250	2.62	1,77,550	-	1,77,550	3.18	0.56
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lacs	41,549	-	41,549	15.03	12,60,837	-	12,60,837	22.57	7.54
c) Others (specify)	-	-	-	-	-	-	-	-	-
c-1) Partnership firms	6,000	-	6,000	2.17	78,000	-	78,000	1.40	(0.77)
c-2) HUF	-	-	-	-	63,000	-	63,000	1.13	1.13
SUB TOTAL (B)(2):	54,799	-	54,799	19.83	20,17,387	-	20,17,387	36.12	16.29
Total Public Shareholding (B)= (B)(1)+(B)(2)	54,799	-	54,799	19.83	20,17,387	-	20,17,387	36.12	16.29
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,76,407	-	2,76,407	100	55,85,341	-	55,85,341	100	-

(ii) SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Deepthi Anand	1,44,608	52.32	-	18,79,904	33.66	-	(18.66)
2	Manish Turakhia	18,333	6.63	-	2,38,329	4.27	-	(2.36)
3	Chauhan Ventures LLP	17,000	6.15	-	2,21,000	3.96	-	(2.19)
4	H M Arvindkumar Ventures LLP	4,167	1.51	-	54,171	0.97	-	(0.54)
5	Veer Value Ventures LLP	-	-	-	5,85,000	10.47	-	10.47
6	Jash Ventures	7,500	2.71	-	1,99,550	3.57	-	0.86
7	Ample Ventures	3,333	1.21	-	43,329	0.78	-	(0.43)
8	Sanghavi Ventures	4,167	1.51	-	54,171	0.97	-	(0.54)
9	Vishva Vama Ventures	7,500	2.71	-	97,500	1.75	-	(0.96)
10	Simran Ventures	5,000	1.81	-	65,000	1.16	-	(0.65)
11	Ashit Alapi Ventures	1,667	0.60	-	21,671	0.39	-	(0.21)
12	Arham Ventures	8,333	3.01	-	1,08,329	1.94	-	(1.07)
	Total	2,21,608	80.17	-	35,67,954	63.88	-	(16.29)

(iii) CHANGE IN PROMOTERS' SHAREHOLDING:

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Deepthi Anand				
	At the beginning of the year	1,44,608	52.32%	1,44,608	52.32%
	Allotment of Bonus shares on 13.11.2019	17,35,296		18,79,904	
	At the End of the year	18,79,904	33.66%	18,79,904	33.66%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
2	Manish Turakhia				
	At the beginning of the year	18,333	6.63%	18,333	6.63%
	Allotment of Bonus shares on 13.11.2019	2,19,996		2,38,329	
	At the End of the year	2,38,329	4.27%	2,38,329	4.27%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
3	Chauhan Ventures LLP				
	At the beginning of the year	17,000	6.15%	17,000	6.15%
	Allotment of Bonus shares on 13.11.2019	2,04,000		2,21,000	
	At the End of the year	2,21,000	3.96%	2,21,000	3.96%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
4	H M Arvindkumar Ventures LLP				
	At the beginning of the year	4,167	1.51%	4,167	1.51%
	Allotment of Bonus shares on 13.11.2019	50,004		54,171	
	At the End of the year	54,171	0.97%	54,171	0.97%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
5	Veer Value Ventures LLP				
	At the beginning of the year	-	-	-	-
	Allotment of Equity shares on Preferential allotment basis on 19.06.2019	17,000		17,000	

	Allotment of Equity shares on Preferential allotment basis on 06.07.2019	7,500		24,500	
	Allotment of Equity shares on Preferential allotment basis on 04.11.2019	10,000		34,500	
	Allotment of Equity shares on Preferential allotment basis on 11.11.2019	10,500		45,000	
	Allotment of Bonus shares on 13.11.2019	5,40,000		5,85,000	
	At the End of the year	5,85,000	10.47%	5,85,000	10.47%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
6	Jash Ventures				
	At the beginning of the year	7,500	2.71%	7,500	2.71%
	Allotment of Equity shares on Preferential allotment basis on 04.09.2019	7,850		15,350	
	Allotment of Bonus shares on 13.11.2019	1,84,200		1,99,550	
	At the End of the year	1,99,550	3.57%	1,99,550	3.57%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
7	Ample Ventures				
	At the beginning of the year	3,333	1.21%	3,333	1.21%
	Allotment of Bonus shares on 13.11.2019	39,996		43,329	
	At the End of the year	43,329	0.78%	43,329	0.78%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
8	Sanghavi Ventures				
	At the beginning of the year	4,167	1.51%	4,167	1.51%
	Allotment of Bonus shares on 13.11.2019	50,004		54,171	
	At the End of the year	54,171	0.97%	54,171	0.97%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
9	Vishva Vama Ventures				
	At the beginning of the year	7,500	2.71%	4,167	1.51%
	Allotment of Bonus shares on 13.11.2019	90,000		97,500	
	At the End of the year	97,500	1.75%	97,500	1.75%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
10	Simran Ventures				
	At the beginning of the year	5,000	1.81%	5,000	1.81%
	Allotment of Bonus shares on 13.11.2019	60,000		65,000	
	At the End of the year	65,000	1.16%	65,000	1.16%

Sl. no	For Each of the Promoters	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
11	Ashit Alapi Ventures				
	At the beginning of the year	1,667	0.60%	1,667	0.60%
	Allotment of Bonus shares on 13.11.2019	20,004		21,671	
	At the End of the year	21,671	0.39%	21,671	0.39%

Sl. no	For Each of the Promoters.	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
12	Arham Ventures				
	At the beginning of the year	8,333	3.01%	8,333	3.01%
	Allotment of Bonus shares on 13.11.2019	99,996		1,08,329	
	At the End of the year	1,08,329	1.94%	1,08,329	1.94%

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Aryaman Capital Markets Limited				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	84,000	1.50	84,000	1.50
	Purchase of shares during the year	1,29,000	2.31	2,13,000	2.81
	At the End of the year	2,13,000	3.81	2,13,000	3.81

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
2	Manish Kantilal Haria				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	1,32,000	2.36	1,32,000	2.36
	Purchase of shares during the year	81,000	1.45	2,13,000	3.81
	At the End of the year	2,13,000	3.81	2,13,000	3.81

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
3	Overskud Multi Asset Management Private Limited				
	At the beginning of the year	-	-	-	-
	Purchase of shares during the year	2,04,000	3.65	2,04,000	3.65
	At the End of the year	2,04,000	3.65	2,04,000	3.65

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
4	Amit Doshi				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	69,000	1.23	69,000	1.23
	Purchase of shares during the year	39,000	0.70	1,08,000	1.93
	At the End of the year	1,08,000	1.93	1,08,000	1.93

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
5	Kiran Amit Doshi				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	66,000	1.18	66,000	1.18
	Purchase of shares during the year	39,000	0.70	1,05,000	1.88
	At the End of the year	1,05,000	1.88	1,05,000	1.88

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
6	Ami Ashish Doshi				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	66,000	1.18	66,000	1.18
	Purchase of shares during the	39,000	0.70	1,05,000	1.88
	At the End of the year	1,05,000	1.88	1,05,000	1.88

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
7	Ashish Prabhudas Doshi				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	66,000	1.18	66,000	1.18
	Purchase of shares during the	39,000	0.70	1,05,000	1.88
	At the End of the year	1,05,000	1.88	1,05,000	1.88

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
8	Rachel Kattukaran				
	At the beginning of the year	13,835	5.01	13,835	5.01
	Allotment of Bonus shares on 13.11.2019	1,66,020		1,79,855	
	Sale of shares through offer for sale in IPO	(75,000)		1,04,855	
	At the End of the year	1,04,855	1.88	1,04,855	1.88

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
9	Venu Gopal Nambiar				
	At the beginning of the year	13,835	5.01	13,835	5.01

	Allotment of Bonus shares on 13.11.2019	1,66,020		1,79,855	
	Sale of shares through offer for sale in IPO	(75,000)		1,04,855	
	At the End of the year	1,04,855	1.88	1,04,855	1.88

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
10	Sajankumar Rameshwarlal Bajaj				
	At the beginning of the year	-	-	-	-
	Purchase of shares during the year	72,000	1.29	72,000	1.29
	At the End of the year	72,000	1.29	72,000	1.29

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
11	Rajkumar Elango				
	At the beginning of the year	13,879	5.02	13,879	5.02
	Allotment of Bonus shares on 13.11.2019	1,66,548		1,80,427	
	Sale of shares through offer for sale in IPO	(1,17,000)		63,427	
	At the End of the year	63,427	1.14	63,427	1.14

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
12	Manaklal Dhing				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	33,000	0.59	33,000	0.59
	Purchase of shares during the year	21,000	0.38	54,000	0.97

	At the End of the year	54,000	0.97	54,000	0.97
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Sl. No.	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
13	Vivek Tushar Lakhani				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	33,000	0.59	33,000	0.59
	Purchase of shares during the	21,000	0.38	54,000	0.97
	At the End of the year	54,000	0.97	54,000	0.97

Sl. No.	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
14	Priya Tushar Lakhani				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	33,000	0.59	33,000	0.59
	Purchase of shares during the	21,000	0.38	54,000	0.97
	At the End of the year	54,000	0.97	54,000	0.97

Sl. No.	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
15	Paras Khushalchand Maru				
	At the beginning of the year	-	-	-	-
	Purchase of shares during the year	54,000	0.97	54,000	0.97
	At the End of the year	54,000	0.97	54,000	0.97

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
16	Pradeep Dungershy Maroo HUF				
	At the beginning of the year	-	-	-	-
	Issue of Equity shares in IPO	33,000	0.59	33,000	0.59
	Purchase of shares during the	21,000	0.38	54,000	0.97
	At the End of the year	54,000	0.97	54,000	0.97

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
17	Akshaya T M				
	At the beginning of the year	4,100	1.48	4,100	1.48
	Allotment of Bonus shares on 13.11.2019	49,200		53,300	
	At the End of the year	53,300	0.95	53,300	0.95

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
18	JMR Ventures				
	At the beginning of the year	3,000	1.09	3,000	1.09
	Allotment of Bonus shares on 13.11.2019	36,000		39,000	
	At the End of the year	39,000	0.70	39,000	0.70

Sl. no	For Each of the top ten shareholders	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
19	JB Ventures				
	At the beginning of the year	3,000	1.09	3,000	1.09

	Allotment of Bonus shares on 13.11.2019	36,000		39,000	
	At the End of the year	39,000	0.70	39,000	0.70

(V) SHAREHOLDING OF DIRECTORS & KMP:

Sl. no	For Each of the Directors/KMP	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Deepthi Anand				
	At the beginning of the year	1,44,608	52.32%	1,44,608	52.32%
	Allotment of Bonus shares on 13.11.2019	17,35,296		18,79,904	
	At the End of the year	18,79,904	33.66%	18,79,904	33.66%

Sl. no	For Each of the Directors/KMP.	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
2	Manish Turakhia				
	At the beginning of the year	18,333	6.63%	18,333	6.63%
	Allotment of Bonus shares on 13.11.2019	2,19,996		2,38,329	
	At the End of the year	2,38,329	4.27%	2,38,329	4.27%

Sl. no	For Each of the Directors/KMP.	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
3	Guhesh Ramanathan				
	At the beginning of the year	300	0.11%	300	0.11%
	Allotment of Bonus shares on 13.11.2019	3,600		3,900	
	At the End of the year	3,900	0.07%	3,900	0.07%

Sl. no	For Each of the Directors/KMP	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
4	Shankarran Prabhha				
	At the beginning of the year	800	0.29%	800	0.29%
	Allotment of Bonus shares on 13.11.2019	9,600		10,400	
	At the End of the year	10,400	0.19%	10,400	0.19%

Sl. no	For Each of the Directors/KMP	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
5	Stavan Ajmera				
	At the beginning of the year	200	0.07%	200	0.07%
	Allotment of Bonus shares on 13.11.2019	2,400		2,600	
	At the End of the year	2,600	0.05%	2,600	0.05%

Sl. no	For Each of the Directors/KMP.	Shareholding at beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
6	Peeyush Agrawal				
	At the beginning of the year	400	0.14%	400	0.14%
	Allotment of Bonus shares on 13.11.2019	4,800		5,200	
	At the End of the year	5,200	0.09%	5,200	0.09%

(VI) INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	18,04,189	-	18,04,189
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	18,04,189	-	18,04,189
Change in Indebtedness during the financial year				
Additions	38,30,724	2,71,051	-	41,01,775
Reduction	-	-	-	-
Net Change	38,30,724	2,71,051	-	41,01,775
Indebtedness at the end of the financial year				
i) Principal Amount	38,30,724	20,75,240	-	59,05,964
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	38,30,724	20,75,240	-	59,05,964

(VII) REMUNERATION OF DIRECTORS AND KMP:
A. Remuneration to Managing Director, Whole time director and/or Manager:

(In ₹)

Sr. No	Particulars of Remuneration	Mrs. Anand (Managing Director)	Deepthi (Managing Director)	Total Amount
1	Gross salary*		-	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		12,00,000	12,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	
2	Stock option		-	
3	Sweat Equity		-	
4	Commission as % of profit others (specify)		-	
5	Others, please specify		-	
	Total (A)		12,00,000	12,00,000

B. Remuneration to other directors:

(In ₹)

Sr. No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	Ms. Shankarran Prabhha	
	(a) Fee for attending board /committee meetings	6,32,772	6,32,772
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Total (1)	6,32,772	6,32,772
2	Other Non Directors		
	(a) Fee for attending board committee meetings	-	-
	(b) Commission	-	-
	(c) Others please specify.	-	-
	Total (2)	-	-
3	Total (B)=(1+2)	6,32,772	6,32,772
	Total Managerial Remuneration		18,32,772
	Overall Ceiling as per the Act.	The total managerial remuneration is within the ceilings prescribed.	

C. Remuneration to Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director:
 (In ₹)

Sr. No.	Particulars of Remuneration	Peeyush Agrawal (CFO)	Adarsha K R (CS)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	14,26,171	1,80,000	16,06,171
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total (1+2+3+4+5)	14,26,171	1,80,000	16,06,171

V. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Form No. MR-3

Secretarial Audit Report for the Financial Year ended March 31, 2020

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

To,
The Members,
Valencia Nutrition Limited
D. No. 134, 6th Main, 1st
Block, Banashankari 3rd
Stage, Bangalore - 560085

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Valencia Nutrition Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, the Company was got status as listed on 3rd day of January, 2020 and the period of audit covers from the date of listing to the end financial year. In my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(vi) Following other laws are applicable to Company:

- (a) The Indian Contract Act, 1872
- (b) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (c) The Food Safety and Standards Act, 2006
- (d) Karnataka Municipal Corporation Act, 1976
- (e) Karnataka Shops and Establishment Act, 1961
- (f) Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957
- (g) The Employees' Compensation Act, 1923
- (h) Payment of Gratuity Act, 1972
- (i) The Minimum Wages Act, 1948
- (j) Payment of Bonus Act, 1965
- (k) The Maternity Benefit Act, 1961
- (l) The Payment of Wages Act
- (m) Equal Remuneration Act, 1979
- (n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (o) Child Labour (Prohibition and Regulation) Act, 1986
- (p) Income-tax Act, 1961
- (q) Central Goods and Services Tax Act, 2017
- (r) Professional Tax
- (s) Central Excise Act, 1944
- (t) Karnataka Excise Act, 1965

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

I further report that, based on the information provided and the representation made by the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For VB & Associates,

Sd/-

Vighneshwar Bhat

FCS: 10557

C.P. No. 10012

UDIN: F010557B000666234

Place: Bengaluru

Date: September 04, 2020

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

Annexure -I

To,
The Members,
Valencia Nutrition Limited
D. No. 134, 6th Main, 1st Block,
Banashankari 3rd Stage,
Bangalore - 560085

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2020

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

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

For VB & Associates,

Sd/-

Vighneshwar Bhat

FCS: 10557

C.P. No. 10012

UDIN: F010557B000666234

Place: Bengaluru
Date: September 04, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Being first year of our Listing journey, we present insight into the background of company & its journey so far. As we are a Start Up, we narrate its nuances of Cash Burn while building each aspect of Business & Organization.

In the case of Valencia Nutrition, most aspects revolve on fixing nuances of Raw Material & Packing Material supply chain, Bottling, Casing, Distribution, Sales Channel – Super Stockiest, Area Distributor & Retail Outlets, Marketing, Administration, Accounting & Finance. Each aspect of these functions has its peculiarity we need to adopt to our requirements. It's the correct identification of our need & then finding its right source constitutes corporate learning. As you know, the time taken & experimentations costs money and hence Cash Burn.

With efforts and use of capital, Valencia has mastered the art of formulating the Generation X drink which has **the lowest sugar per milliliter** and is now very popular among the young millennials. The energy drink market in India is valued over Rs 700 crores and is expected to grow 9.22% every year and Valencia is the winning horse in this race.

Forward-Looking Statements:

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements, although we believe we have been cautious.

Business Model:

We are focused company on Vitamin flavored functional ready to drink beverages, functional foods, health care supplements, wellness supplements, disease management supplements, performance enhancing supplements, diet & weight management supplements and all other nutraceutical products based on applied biotechnology and other health & nutrition technological applications related thereto.

The internal functions of our business model is formulating, manufacturing, packaging, storing, transporting, branding, research, development and distribution, directly, through logistics partners, distribution channels, franchisees, retail outlets, institutions, hotels, cafeterias, restaurants, wellness centres, fitness centres, as well as electronically through the internet.

Our Company is an applied biotechnology start-up operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multinutrient functional beverages to prevent and/or manage lifestyle related diseases. We believe that our core competencies as well as future growth both would rely heavily on levels of innovation and our superior product quality, as we are innovation driven. In order to stay ahead of the growth curve and ensure high quality of products we are continuously engaged in R&D activities.

As first of our offerings that is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavorful drinks – 'Bounce Superdrinks' & 'VitaMe Enriched Beverage'. We have been working in a most focused manner since last 7 years to fully evolve this well-researched product and develop a niche brand within this nascent but high potential segment.

Our present Business Model can best be described as under:-

Demand Creation – In house

Ownership of trademark, copyright & shape of bottle
Providing formulation through concentrate & premix

Investing in research and development – product and packaging innovation
Undertaking brand development and consumer pull management activities
Distribution Channel set from Super Stockiest to Area Distributors till Retail Outlets
Demand forecasting & SKU wise production planning
Customer management and Market share gains

Demand Delivery – Outsourced

Tie up with dependable Bottlers
Warehousing depots – C & F Agents
Distribution vehicles

Our eventful start up journey of 7 years



Our founder promoter Mrs. Deepthi Anand thought of healthy offerings at the beginning of the venture in 2013. She chose not to patent the formulation as it would have amounted to revealing our entire formulation while the patent assessment is being made. We would much rather keep it proprietary, like Coca Cola.

Her initial vision can best be summarized in the premise - Bounce doesn't fall in Cola, Juice, Soda or Water category, so why will a customer buy it ?

Bounce is what you drink when you don't want plain water (boring) or cola (unhealthy).

It's not Packaged Juice that contains lots of sugar & preservatives.

It's not Jeera Soda where the consumption is specific to acidity thrust.

It's not Mineral Water where the 1 liter's bottle price is restricted to Rs.12 per liter.

Bounce addresses wider Hydration & basic Thirst – Meet Your Thirst with Enriched Hydration

We come exactly in between. It's tasty & healthy and have innumerable flavours so you never get bored.

Her vision & capabilities have transpired Valencia Nutrition into a Biotech Company with Nutraceutical Focus

Nutraceutical is regarded as the bioactive substance and natural bioactive compounds include a broad diversity of structures and functionalities that provide an excellent pool of molecules for the production of therapeutic compounds.

Nutraceuticals may range from isolated nutrients herbal products, dietary supplements and diets to genetically engineered “designs” foods and processed products such as cereals, soups and beverages. Presently we are focused on beverages - Bounce Superdrinks. As we establish more, we will expand our offerings in for of cereals & premix powers.

Enzymes are biological catalysts (also known as biocatalysts) that speed up biochemical reactions in living organisms. They can also be extracted from cells and then used to catalyze a wide range of commercially important processes. For example, they have important roles in the production of sweetening agents. Bounce Superdrinks are sweetened form Stevia.

Nutraceuticals are the natural bioactive, chemical compounds that have health promoting, disease preventing or medicinal properties. Bounce have bioactive and chemical compounds. All of the following SKUs are enriched with Vitamins/Electrolytes/Antioxidants. The active ingredients for each our product are as under:-

1. Bounce Sports Drink (Sugar 4.8%)
Monk fruit juice concentrate (Antioxidant), Glucose, Vitamin B3, B5, B6, B9, B12, Vitamin C, Sodium, Potassium & Magnesium
2. Bounce Glucoze+ (Sugar 8.2%)
Glucose, Vitamin B3, B5, B6, B9, B12, Vitamin C, Sodium, Potassium & Magnesium.
3. Bounce MSG Free Ion Supply Drink (Sugar 6%)
Sodium, Potassium, Magnesium & Chloride
4. Bounce Fizz (Sugar 9.1%)
Glucose, Vitamin B3, B6, B9 & Vitamin C
5. Bounce Enriched Flavoured Water (Sugar 4.8%)
Monk fruit juice concentrate(Antioxidant), Vitamin B3, B5, B6, B9, B12, Vitamin C, Sodium, Potassium & Magnesium.



Our co-promoter Mr. Manish Turakhia had long time aspiration to enter Nutraceuticals segment that was found in Valencia Nutrition Ltd. Being a start-up it had the much-needed agility. During initial liaison He found that Idea, Business Concept, Proof of Concept, Sample Customer Validation were present. While Scale Up, Organic Growth & inorganic Growth were far away, initial team influenced His decision to participate in the venture during maiden visit along with his wife Mrs. Meghna to Bangalore during 21-25 June 2017.

Venture USP

The USP as perceived by Him was - BRAND NEW SEGMENT THAT PROVIDES CONSUMERS AN ALTERNATIVE TO SUGARY CARBONATED DRINKS, WHICH IS A DEGROWING MARKET WORLDWIDE.... PAYS TO ENTER EARLY! Veer Capital studied over 75 products in similar category world over and almost 15 Global Listed Companies before committing to Valencia Nutrition Ltd. We found Lowest Sugar Per ML in BOUNCE SUPERDRINKS.

Angle Investors

Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran, all persons of high stature had funded the venture to the tune of about Rs.4.50 Crs from 2013 onwards. With this funds Deepthi could experience & fix every minute aspect like and tie over initial nuance (narrated under Events during 2017-18). They very gracefully & unconditionally terminated their earlier Share Holders Agreement on 4th November 2017 that had entered on 11th October 2013.

In presence of Mrs. Deepthi, Mr. Manish & Mrs. Meghna had a day-long meeting with them on 22nd June 2017 at Bangalore that culminated into positive vibes & long-term association.

The Initial Team

Mr. Manish & Mrs. Meghna visited Valencia office on 23rd June, 2017 and could find committed team & their sincere intentions to build business. Their 'never say die spirit' was more than enough reason for attracting His Investment & Consent to be Co-Promoter.

1. Mrs. Deepthi Anand: Founder & CEO
He found huge scalability for the venture initiated by formulations capability of Deepthi having Master of Science in Biomedical Engineering and two decades of experience in biomedical field. Her will to succeed and never say die spirit were compelling reasons influencing decision.
2. Ms. Prabhha Shankarran - General Manager - Corporate Affairs, HR department, Event Management and Public Relations
Master's Degree in Commerce, Diploma in Business Management and Post Graduate Diploma in Hospital Administration.
3. Mr. Akshaya T: GM New Product Development & Quality Control
Master of Science in Micro Biology, PG Diploma in Nutrition & Dietetics and PG Diploma in Fitness and Nutrition.

Investment Reference

He drew inferences from Warren Buffet's investments in See's Candy, Wriggle & Coca Cola. He could visualize ventures' capability to roll out products in various form like tablets, candies, chewing gums, bottles, pouches and powders.

Indian Market Parallel

Being specific to Flavored Water where Valencia Nutrition had presence in 2017 and had fairly concurred its nuances, He inferred parallels from B'lue. Flavored Water was 10 years away in India back in December 2011 when B'lue was launched, a water-based restorative drink. But it was selling like hot cake (Around 30,000 cases per month). B'lue, a colourless drink was introduced in Apple and Guava flavours containing natural-identical aroma, vitamins and minerals, being made at Pushpam Foods, where Danone-Narang Beverages Pvt Ltd (DNB) has invested in a new bottling line. In December 2015 DNB was wound up and Narang Beverages focused on building a portfolio of beverages under o'cean brand. They are more natural, deliciously healthier and promote a sense of wellness for today's urban generation that doesn't want to miss out on a thing. o'cean is the category leader and at forefront of market development.

Business Case

We manufacture & market consumer items of small ticket size with repetitive purchase frequency. Our business has huge scalability potential that eventually thrives on negative working capital. Negative working capital arises in a scenario wherein the current liabilities exceed the current assets. In other words, there is more short-term debt than there are short-term assets. Generally, having anything negative is not good, but in case of working capital it is good as a company with negative working capital funds its growth in sales by effectively borrowing (float money) from its suppliers and customers. When managed properly, negative working capital could be a way to fund your growth in sales with other people's money. Negative working capital often arises when a business generates cash so quickly that it can sell its products to the customer before it has to pay its bill to the supplier. In the meantime, it is technically using the supplier's money to grow.

Industry Nuances

Even though we are an applied biotech company, our product categories operate in the Functional Beverage Industry and hence we have to deal with its nuances. The functional food and functional beverages industry in India are subject to changes in consumer preferences, perceptions and spending habits. Our strategy depends on factors which may affect the level and patterns of consumer spending like consumer preferences, consumer confidence, consumer incomes, consumer perceptions of the safety

and quality of our beverages, and consumer interest in diet and health issues.

Media coverage regarding the safety or quality of, or diet or health issues relating to functional food and functional beverages and other beverages, or the raw materials, ingredients or processes involved in their manufacturing or bottling, especially in urban and metropolitan areas.

A general decline in the consumption of functional food and functional beverage industry could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and future success will depend partly on our ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that meet consumer preferences.

Beginning of corporate legacy

Our journey began with a vision to add taste to thirst in some of the world’s most populous markets; what we have achieved so far is the appetizer, and much of the feast is still ahead of us. Not only do we refresh our customers but we also work to sustain, educate, and empower communities alongside ensuring our own business growth. This we shall do still more innovatively and across a wider region in the coming years.



Bounce derives SUPERDRINKS derives its name from its qualities from as under:

- S: Surprise your senses with its irresistible taste (flavours imported from Europe)
- U: Undo excess sugar with India’s lowest calorie drink (55% less than MOST carbonated drinks & packaged juice)
- P: Power up with monk fruit (a natural antioxidant), 6 vitamins (strength & antioxidant power) & zinc (immunity & antioxidant boost)
- E : Eliminate junk like added colour, artificial flavours & preservatives
- R: Refresh, recharge & rehydrate like never before!

During our 7 year journey, we continued to widen our portfolio mix and strengthen our leadership position in the South Indian beverage market. Our constant endeavor has been to expand our presence in fast-growing markets, add solid infrastructure and set up a well-entrenched distribution network across southern territories.

BOUNCE SUPERDRINKS



‘*Bounce Superdrinks*’ is a low-calorie hydration drink range and is our flagship brand. The range has unique & proprietary blend of flavors, sweetening agents and nutrients which can be consumed by all age groups. ‘Bounce Superdrinks’ was originally manufactured under the brand name of ‘Bounce Superwater ’in 6 flavors viz. perky peach, watermelon, zesty green apple, peppy pink guava, tangy orange and litchi. However, currently it has expanded to over 14 flavors under 6 sub-variants that includes both still and carbonated drinks - Vitalize (4 flavors viz. Blue Surge, Perky Peach, Green Apple Zest & Electric Orange), Sports+ (5 flavors viz. Blue Surge, Pomegranate, Peach, Orange & Lime), Glucose+ (Apple, Lemon, Litchi & Jeera), Glucofizz (Berry Fizz, Litchi Fizz & Orange Fizz), Lemon Fizz & Jeera Fizz. Currently this is the only product which is marketed by our Company.

BOUNCE SPORTS

Being a Nutraceutical focused Biotech Start Up we have R & D Pipeline. When we have established Proof of Concept Bounce Sports. We are introducing forth category to our product portfolio - Sports Drink (500 ml) - (Vitalize without AJC and Sodium added). The prototype new labels for Sports Drink - Bounce 500 ml BOPP New Sports labels....for exports as we have planned.

Bounce Sports (includes Sodium as required by GCC Health Ministries). As we have used our Capital to acquire the Labelling Machine & the Bottle Mould. During November 2018, we sent 2 containers of Bounce Sports in our Vitalize Bottles for trial order to Qatar. The response has been encouraging.

Our associates at Qatar are pleading to their Health Ministry on waiver of Sin Tax that was imposed at 50% on all Sugary Drinks & 100% on Carbonated Beverages. Bounce has 23g of Sugar in 500ML liquid that is lowest in over 75 products Veer Capital compared during 2017 & 2018.

BOUNCE SUPERDRINKS | SPORTS



ASIA'S FIRST MONK FRUIT POWERED, NATURALLY SWEETENED, LOW CALORIE SPORTS DRINK

- Enriched with 100% natural monk fruit, 6 vitamins & 3 electrolytes for rehydration, recovery & every day vitality
- Any time, any where hydration for the calorie conscious
- Free from caffeine & artificial flavours
- In multiple lipsmacking flavours - Blue Surge, Pomegranate, Peach, Orange & Lime

NUTRITION FACTS			
Serving size: 1 bottle (500ml / 16.9 fl.oz)			
Nutrients	Per 100 ml	Per 500 ml	DVR*
Energy	19 kcal	95 kcal	5%
Total Carbohydrates	4.8 g	24 g	—
Total Sugar	4.6 g	23 g	—
Added Sugar	4.6 g	23 g	—
Total Fat	0 g	0 g	0%
Protein	0 g	0 g	0%
Vitamin B3	1.6 mg	8 mg	53%
Vitamin B5	0.5 mg	2.5 mg	50%
Vitamin B6	0.2 mg	1 mg	7%
Vitamin B9	10 mcg	50 mcg	25%
Vitamin B12	0.1 mcg	0.5 mcg	21%
Vitamin C	4 mg	20 mg	33%
Sodium	26 mg	130 mg	7%
Potassium	15.6 mg	78 mg	2%
Magnesium	3.4 mg	17 mg	5%



Net content: 500ml | Packaging material: PET | Shelf life: 9 months
 Outer pack: Carton | Bottles per carton: 24

Market response to Covid-19 Scenario

Our capable team at top succeeded in controlling the fatal damage abruptly brought by Covid situation & resulting Business Lock Downs. The disruption that initially appeared short is still persisting in August 2020. While many Start Ups have wound up, we have sailed through.

Our ground reality for our business operation revolves around "Physical Placement of Bounce at Point of Sale". This fact posed major challenge necessitating business reset. We have not only lost the peak summer season (March – June 2020) but also had to let go most of Sale Team that we nurtured for over a year. We will be required to rebuild our organization. Accordingly, we will required to relocate resources and raise further funds

Our Company has demonstrated ability to adapt our product offerings to respond to changes in consumer preferences by introducing Super Candies with anti covid properties. This one of our first offerings bypassing entire need of Heavy Good Movement. It was launched on August 15, 2020. Candies are for all seasons consumption.



Near Future Plans

Primarily we are a company of R & D based nutraceutical products based on applied biotechnology. We hereby highlight our pipeline product in high growth potential market segment. We have ability to understand the consumer tastes and expectations, produce new and better quality products, successfully carry out research and development of new processes and improve existing products. These processes must meet quality standards where applicable and may require regulatory approvals. The development and commercialization process for these products would require time and significant capital and marketing expenditure. Any investments in research and development for future products and processes may result in higher costs which may not necessarily result in corresponding increase in revenues. About 48 percent of new moms will change their purchase habits and their regimens when they're pregnant, and 50 percent will move toward better for-you, 'clean' products. While we have to still work on Pregnancy Beverage, we are developing following products to have faster Break Even both at Product level & Company level.

1. Kashaya Power boosting immunity in children, daily immunity beverage in category of Bournvita and Horlicks.
2. Developing Capsule with Herbal extracts, vitamin c & zinc.
3. Developing Protein Products for Teenagers.

Events during FY 2019-20 and previous periods

As you know, our company is a Start Up and hence we have confronted every nuances & teething problems that one can think of. There were situations & events so overpowering even Deployment of Capital or Management Planning could not tie over. Fixing each impediments requires Cash Burn – an inevitable Start Up Syndrome.

Business Operations during 2019-20

Few of situations have been out of control in 2019 and the same led to disruption of business operation:-

Our Bottling Partner Neycer Jalaa Pvt Ltd for 500ml

Company had bottling arrangements Neycer since 2015. Neycer had manufacturing dislocation in February 2019 disrupting entire Summer 2019 availability of our products. This also resulted in loss of few Super Stockist nurtured for long. Due to supply disruption in peak season demand (March – June 2019) that was created by our curated sales employees whom we nurtured since 2018 by giving good salary who in turn had tied up these capable super stockist /distributors.

Our Company had parallel tied up in November 2018 - **A-Pyaas Natural and Healthy LLP** to serve a trial order from Qatar. We again activated A -Pyaas & rolled out best quality products for all variants of 500ml. Though we lost some grounds, with this new batch few of the old super stockists / distributors for upcoming season in February – June 2020.

Our Bottling Partner Anand Agro Foods, Latur for 200ml Gluco Fizz

Their carbonation was not strong enough for consumer acceptance that we discovered from the market feedback. Accordingly we has to call back the stock from the market resulting into write off of the stock.

Management tied with **ATC Beverage Pvt. Ltd. (Hindustan Foods Ltd)** since December 2019 for 200ml Gluco Fizz. Ever since this first batch from ATC, market acceptance has been very encouraging. At present Bounce Gluco Fizz has been our entry level product both to acquire Distributors & Consumer.

On September 01, 2019, company appointed Mr. Ajay Nayak as Vice President (Sales & Marketing) to steer head the vital Sales & Marketing that hereunto was handled by Mrs. Deepthi from October 2018. This vital step in our journey and He is proving to be vigilant commander in our feast to conquering the market share. He is proving instrumental in implementing Company Policy of Below The Line Advertisements very effectively.

At present, we have firm grounds and have concurred most of the earlier challenges faced earlier. We provide summary of previous major events to highlight stressful journey of our promising Start-Up....


On positive note we bought a Plot to build our Valencia House – Registration date June 21, 2019.



Events during 2018-19

Our MSG free Drink with Iron Mineral got test marketed in Muscat by a reputed Pocari Sweat Distributor. Iron is a mineral, and its main purpose is to carry oxygen in the haemoglobin of red blood cells throughout the body so cells can produce energy. Iron also helps remove carbon dioxide.


BOUNCE SUPERDRINKS | ION




MSG FREE ION SUPPLY DRINK

- Source of sodium, potassium, magnesium & chloride
- Good replacement for plain water as it additionally replaces salts not available in water
- Refreshing & unique mild flavour & sweetness


NUTRITION FACTS	
Serving size: 1 bottle (300 ml / 10.14 fl.oz)	
Amount per 100 ml	
Calories	18 kcal / 75 kJ
% DV* per serving (300 ml)	
Total Ion	9 g 2%
Sodium	47 mg 7%
Total Carbohydrates	6 g -
Total Sugar	0 g -
Added Sugars	0 g -
Protein	0 g 0%
Vitamin C	12 mg 62%
Potassium	23.8 mg 2%
Magnesium	1.5 mg 2%
Chloride	79.7 mg -



NO MSG



NO SUGAR



NO ARTIFICIAL FLAVOUR

Net content: 300ml | Packaging material: PET | Shelf life: 9 months
 Outer pack: Carton | Bottles per carton: 24

Our associates at Muscat are pleading to their Health Ministry on waiver of Sin Tax that was imposed at 50% on all Sugary Drinks & 100% on Carbonated Beverages.

Our investment in Bounce Sports Variant (targeted at MENA Region)

We had developed Bounce Sports. We have invested in Bottling Machine & participated in Gulfood February 2019 to develop MENA Region. The efforts, planning & resources spent on MENA SBU, could not fetch immediate returns as envisaged due to imposition of Sugar Tax.

Management has firm plans to penetrate in MENA Region. We have met & identified several Bottlers & Distributors from Saudi Arabia, Bahrain, Kuwait & Abu Dhabi. At opportune time we will reconnect with them and start business in the region.

Gulfood

17 - 21 February 2019
Dubai World Trade Centre

*Visit us at
Valencia
Nutrition Ltd
Hall Za'abeel 5,
Stand Z5-C58*

BOUNCE
SUPERDRINKS™
SUPER TASTY. ULTRA HEALTHY.

CATEGORY DEFINING, NEW-AGE FUNCTIONAL BEVERAGES TO QUENCH ALL THIRSTS

- Comprehensive range of functional beverages in both still & carbonated to meet varied hydration needs
- Based on latest research on sports nutrition & general hydration
- Best in class ingredients sourced from across the globe
- Irresistible flavours sourced from Europe to meet the palate of discerning consumers
- Compliant with GCC regulatory norms

Logos: Halal, fssai, and others.





Misfit Sales Head

Being a Start-Up we have many challenges one such being misfit employee.

Company had hired a Sales Head having versatile background in FMCG & Beverage industry. He was provided with required sales team & freedom to develop distribution channel partnerships. To our misfortune He failed us miserably with virtual no advancement in sales during his tenure of 7 months with company.

Despite multiple verbal and written warnings about his performance, he have failed to achieve even 50% of the sales targets he set himself, causing acute financial loss to the company over the 7 months of his tenure. Company ended up with near expiry stocks or expired stocks returned due to inadequate planning and/or implementation of distribution and outlet targets at every level. Company discovered multiple fraudulent travel & dearness allowance claims for which we have given him ample time to respond and had even requested his presence in the office on 22-10-2018 to give a chance to provide clarifications, but he failed to turn up. We terminated with immediate effect on 22 October 2018.

Events during 2017-18

Sensing the need for higher capital, Mrs. Deepthi Anand approached Mr. Stavan Ajmera VP – Investment Banking at Veer Capital Management P. Ltd (Management & Financial Consultancy Company of Mr. Manish Turakhia) in 16.04.2016. Mr. Manish proposed investment in Valencia, via SME IPO for at least 27% dilution. However, Valencia Board somehow not comfortable going public then declined the offer. Venture has to counter nuances of FMCG market place & needed extra force.

When reconnected on 04.04.2017, Mr. Manish found that venture hasn't moved in terms of sales. The bottleneck was lack of Working Capital and huge share of revenue masticated by the then Marketing Partner - Super Stockiest – Area Distributor – Retailer. Start Up syndrome of High Cost & Inconsistency were widely present. Other Challenges like Shape of Bottle, Colour of Bottles & Labels and Color of Liquid - Clear Transparent or Opaque or Fruit Color were dominantly present.

BOUNCE was made in manufacturing arrangement with Neycer Jalaa P. Ltd. Bangalore and sold in distribution alliance from K G Functional Beverages P. Ltd., Mumbai - Makers of Yoga Pulp with footprint of distribution in Mumbai, Surat, Ahmedabad, Kolkata and Goa. Valencia sold directly in Bangalore & few Southern centers.

Mr. Manish & his team held meeting with Mr. Nitin Gupta, Owner of K G Beverages (KGB) at their office on May 2, 2017 and proposed him to be Co-Promoter. Mr. Manish pursued with another meeting with KGB team but they conveyed their unwillingness to move forward. Eventually we severed all our ties amicably.

In October 2017, an important development happened with on-boarding of Mr. Peeyush Agrawal as Head – Finance. Company is delighted the commitment & involvement demonstrated by him in every functions of business be it Raw Material procurement, Co-ordination with Bottlers, Logistics, Distribution Channel Co-ordination and Finance. Presently he is Chief Financial Officer.

2016-17

As the situation stood, the venture had been evolving ever since inception & altered its products compositions to adopt to reality

First.... Valencia Nutrition had to stop the 300ml product and switch to 500ml as FSSAI released the norms very late for selling functional drinks in India.

Second.... Valencia Nutrition had to withdraw VitaMe as customer didn't accept non-sweetened water-based drink.

Third & Final 40% GST on Flavoured Water hence add AJC more than 10% get reclassification as FRUIT DRINK to attract 12% GST.

Other Challenges

Unable to increase distribution footprint because of lack of sales personnel & listing fees involved for hyper & supermarkets

Unable to communicate about brand to trigger higher offtakes in existing stores

Unable to take competitive advantage of 'first in India'/disruptive beverage

Unable to take on bigger orders as working capital had become an issue

2014-15

Formulation & packaging corrected based on consumer feedback

Final product launched in Karnataka, Tamil Nadu, Telangana in November 2015

Tied up with a super distributor to seed north & west markets in December 2015

Currently available across Karnataka, Chennai and Delhi in roughly 1600 stores

VitaMe enriched beverage – 4 variants & Bounce flavoured water - 2 variants

VitaME - beverage with benefits - USP – Free From Caffeine, Guarana, Artificial Flavour, Colours & Preservatives

Valencia Nutrition had to withdraw VitaMe as customer didn't accept non-sweetened water-based drink.

1. VitaMe is actually a great product. It needs more marketing to grow to it's true potential. It would be fair to say consumers did not accept. They were not educated enough. In fact, it can become the premium version of BOUNCE going forward.
2. Valencia Nutrition has all products developed in house and has gained expertise in product development - ability to develop and expand products, variants & formats.
3. Valencia Nutrition has deep knowledge of nutrition and gaps in the Indian diet & has ability to expand variants and delivery routes as required with short TOTs.
4. VitaMe can be reintroduced as premium version of Bounce at later stage.

BOUNCE sample developed with USP of Sweetened Flavoured Water With Vitamins. The Sweetness was achieved with Stevia & Monk Fruit with least of Pharma Grade Sugar. Indeed a path breaking product evolution based on market feedback in sync with our core philosophy of providing healthy beverages with taste.

2013-14

Deepthi Anand serial health entrepreneur and clinical research professional, thought of an answer to the habit of guzzling carbonated drinks, iced teas and milkshakes. A master's degree holder in biomedical engineering (with a super specialisation in medical robotics) from New Jersey, USA, Deepthi went back to the lab in Bangalore to start Valencia Nutrition, which introduced India's first multi-flavoured, multi-nutrient-enriched, low-calorie water called VitaMe. Product test marketed in Bangalore & Chennai for 1 year across 200 outlets.

Valencia Nutrition Vision Statement: Enable wellness, joy and disease-free living through nutrition innovation. Mission Statement:- Develop first-in-class FUNCTIONAL food & beverage products that are – nutritious, tasty, easy to access & fun to consume.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED ON 31st MARCH 2020
I. Company Philosophy:

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

Your Company believes in the concept of Good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder's value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

II. Board of Directors:

As on 31st March, 2020, the strength of the Board was Six Directors. The Board comprised of Two Executive Director and Four Non-Executive Directors. The Chairman of the Board is a Non-Executive Director.

Name of Director	Category	Number of Board Meetings		No. of Directorship(s) held in Other Indian Public Limited Companies	Committee(s) position*		Attendance at the last AGM held on September 30, 2019
		Held	Attended		Member	Chairman	
Mrs. Deepthi Anand	Executive Director	18	18	0	1	-	Present
Mr. Manish Turakhia	Non-Executive Director	18	18	0	3	-	Present
Ms. Shankarran Prabhha	Executive Director	18	18	0	-	-	Present
Mr. Stavan Pravin Ajmera	Non-Executive Director	18	18	0	-	1	Present
Mr. Haresh Sanghvi	Independent Director	18	18	1	2	-	Present
Mr. Guhesh Ramanathan	Independent Director	18	18	0	-	2	Present

The Company held eighteen meetings of its Board of Directors during the year on April 24, 2019, April 30, 2019, June 12, 2019, June 19, 2019, July 01, 2019, July 06, 2019, July 23, 2019, August 21, 2019, September 04, 2019, September 07, 2019, October 22, 2019, November 04, 2019, November 06, 2019, November 11, 2019, November 13, 2019, November 15, 2019, December 10, 2019 and January 01, 2020.

None of the Directors in the Board are related to each other.

III. Committees of the Board:
(a) Audit Committee

The Audit Committee, as per Section 177 of Companies Act, 2013, continued working under Chairmanship of Mr. Guhesh Ramanathan. During the year, the committee met two times with full attendance of all the members. The composition of the Audit Committee as of March 31, 2020 and details of the Members participation at the Meetings of the Committee are as under

Name of Director	Category	Position in the Committee	Attendance at the Audit Committee Meetings held on	
			10.12.2019	04.03.2020
Mr. Guhesh Ramanathan	Independent Director	Chairman	Yes	Yes
Mr. Manish Turakhia	Non-Executive	Member	Yes	Yes
Mr. Haresh Sanghvi	Independent Director	Member	Yes	Yes

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement, to be included in our Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of our Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of our Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Auditors, Internal Auditors, Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

(b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee, as per Section 178 of Companies Act, 2013, continued working under Chairmanship of Mr. Guhesh Ramanathan. During the year, the committee met two times with full attendance of all the members. The composition of the Nomination and Remuneration Committee as of March 31, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the Committee	Attendance at the Audit Committee Meetings held on	
			10.12.2019	04.03.2020
Mr. Guhesh Ramanathan	Independent Director	Chairman	Yes	Yes
Mr. Manish Turakhia	Non-Executive	Member	Yes	Yes
Mr. Haresh Sanghvi	Independent Director	Member	Yes	Yes

The terms of reference of the Committee inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and our Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to our Board their appointment and removal;
5. Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and
6. Carrying out any other function contained in the equity listing Obligations and Disclosure Requirements as and when amended from time to time.

Board Evaluation:

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The structured questionnaire prepared to evaluate the performance of individual directors and the Chairman, inter alia, contained parameters such as professional conduct, roles and functions, discharge of duties and their contribution to Board/ Committees/Senior Management. The questionnaire prepared for evaluation of the Board and its Committees, inter alia, covered various aspects such as structure and composition, effectiveness of board process, information and roles, responsibilities and functioning of the Board and its Committees, establishment and determination of responsibilities of Committees, the quality of relationship between the board and the management and professional development.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Managing Director and the Board as a whole was carried out by the Independent Directors at their separate meeting, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors:
Non-Executive Directors:

None of the Non-Executive Directors received any remuneration during the FY 2019-20.

Executive Directors:

Details of remuneration paid to Executive Director during FY 2019-20 is provided in MGT-9.

Shareholding of Directors:

As at March 31, 2020, following is the shareholding of directors;

Sr. No.	Name of Director	No of Shares	% of Total Shares of the Company
1.	Mrs. Deepthi Anand	18,79,904	33.66
2.	Mr. Manish Turakhia	2,38,329	4.27
3.	Mr. Guhesh Ramanathan	3,900	0.07
4.	Ms. Shankarran Prabhha	10,400	0.19
5.	Stavan Pravin Ajmera	2,600	0.05

(a) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee, as per Section 178 (5) of Companies Act, 2013, continued working under Chairmanship of Mr. Stavan Pravin Ajmera. During the year, the committee met two times with full attendance of all the members. The composition of the Stakeholders' Relationship Committee as at March 31, 2020 and details of the Members

participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the Committee	Attendance at the Audit Committee Meetings held on	
			10.12.2019	04.03.2020
Mr. Stavan Pravin Ajmera	Non-Executive Director	Chairman	Yes	Yes
Mr. Manish Turakhia	Non-Executive	Member	Yes	Yes
Mrs. Deepthi Anand	Executive Director	Member	Yes	Yes

The terms of reference of the Committee are:

1. Considering and resolving grievances of shareholders', debenture holders and other security holders;
2. Redressal of grievances of the security holders of our Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of our Company, etc.;
3. Allotment of Equity Shares, approval of transfer or transmission of equity shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
5. Overseeing requests for dematerialization and rematerialization of shares; and
6. Carrying out any other function contained in the equity listing Obligations and Disclosure Requirements as and when amended from time to time.

During the year, there was no complaints received from shareholder on SCORES. There are no balance complaints. The Company had no share transfers pending as on March 31, 2020.

Mr. Adarsha K R, Company Secretary of the Company is Compliance Officer.

IV. General Body Meetings:

Annual general meetings:

The date, time and venue of the last three Annual General Meetings are given below:

AGM	Year ended as on	Venue	Date	Time	Whether any Special Resolution passed or not
4 th	31.03.2017	D. No. 134, 6th Main, 1st Block, Banashankari 3rd Stage, Bangalore - 560085	29.09.2017	10.30 A.M.	No
5 th	31.03.2018		29.09.2018	10.30 A.M.	No
6 th	31.03.2019		30.09.2019	10.30 A.M.	Yes

Extraordinary General Meeting or Postal Ballot:

The Company hold Seven Extra-ordinary General Meetings during the F.Y. 2019-20 on June 13, 2019, July 02, 2019, July 24, 2019, October 23, 2019, November 08, 2019, November 13, 2019 and November 15, 2019.

V. Means of Communication:

The Half yearly/Annual financial results sent to the Stock Exchanges in accordance with the Listing Regulations. The Half yearly/Annual results are also uploaded on the website of the Company.

VI. General shareholder information:

AGM – Date, Time and Venue:	Wednesday, September 30, 2020, 11.00 A.M., at #11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd Stage, Bengaluru – 560 085
Financial Year:	1 st April to 31 st March of following year
Book Closure Date:	Thursday, September 24, 2020 to Wednesday, September 30, 2020
ISIN:	INE08RT01016
Listing of Equity Shares on stock exchanges:	BSE Limited, P. J. Towers, Fort, Mumbai – 400 001
Listing fees payment status:	The Company has paid the listing fees, to the Stock Exchanges for the financial year 2019-20
Stock code:	542910
Share Transfer System:	The Company's shares are compulsorily traded in Demat mode on the BSE Limited. The transfer of Physical shares, if any, are processed and returned to the shareholders within a period of 15 days by the Registrar & Share Transfer Agent.
Registrar & transfer agents:	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai – 400 059 Tel. No. : 022 – 6263 8200 E-Mail id: Vinayak@bigshareonline.com

Distribution of Shareholding:	Shareholding of Nominal Value of ₹10/- each	No. of shareholders	% of shareholders	Share Amount	% of shareholding
	Up to 5,000	0	0	0	0
	5,001 to 10,000	0	0	0	0
	10,001 to 20,000	1	1.20	13,000	0.02
	20,001 to 30,000	38	45.78	11,45,000	2.05
	30,001 to 40,000	2	2.42	78,000	0.14
	40,001 to 50,000	0	0	0	0
	50,001 to 1,00,000	9	10.84	6,29,500	1.13
	1,00,001 and above	33	39.76	5,39,87,910	96.66
Total	83	100.00	5,58,53,410	100.00	
Dematerialization of Shares and Liquidity:	Particulars		No. of Shares		Percentage
	Physical Segment		-		-
	Demat Segment				
	NSDL		24,68,114		44.19
	CDSL		31,17,227		55.81
Total			55,85,341	100.00	
Shareholding Pattern as March 31, 2020:	Particulars		No. of shares held		%
	Promoters				
	Individual		21,18,233		37.92
	Body Corporate(s)		8,60,171		15.40
	Others – Partnership firms		5,89,550		10.56
	Non-Promoters				
	Individual / HUF		15,01,387		26.88
	Body Corporate(s)		4,38,000		7.84
	Bank / Financial Institutions		-		-
	NRIs/Foreign Nationals		-		-
	Clearing Member		-		-
	Others – Partnership firms		78,000		1.40
Total			55,85,341	100.00	
Details of shares lying in the suspense account:	Sr. No.	Particulars	No. of Shareholders	No. of Shares	
	1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	Nil	

	2.	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	Nil	Nil
	3.	Number of shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
	4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil	Nil
Address for correspondence:	Valencia Nutrition Limited Mrs. Deepthi Anand (Managing Director) #11, 7 th Block, 33 rd Main, Banagirinagar, Banashankari 3 rd Stage, Bengaluru – 560085 Tel : 080 – 26799552			

VII. Disclosures:

- i. The Company did not have any material significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the audited financial statements.
- ii. The financial statements have been prepared in accordance with the Accounting Standards.
- iii. There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, during the last three years.
- iv. The Company has a vigil mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee
- v. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.
- vi. Policy for determining ‘material’ subsidiaries and Policy on dealing with related party transactions is available with the Company.
- vii. The Company has complied with mandatory requirements specified from Regulations 17 to 27 and clauses (b) to (i) of sub –regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
- viii. The CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company’s affairs. The said certificate is annexed and forms part of the Annual Report.
- ix. Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from VB & Associates, Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

Declaration as required under Regulation 26 of SEBI (LODR) Regulations, 2015

In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby confirm that for the financial year ended March 31, 2020, the Directors and Senior Management Personnel of the Company have affirmed compliance with the “Valencia - Code Of Conduct” for Directors and Senior Management Personnel.

For Valencia Nutrition Limited

Sd/-
Deepthi Anand
(Managing Director)
DIN: 05246641

Bengaluru, September 06, 2020

CERTIFICATION BY CFO UNDER REGULATION 17 (8) OF THE LISTING REGULATION

To
The Board of Directors,
Valencia Nutrition Limited.

- (a) We have reviewed the financial statements and the cash flow statement of Valencia Nutrition Ltd. for the year ended March 31, 2020 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Valencia Nutrition Limited

Sd/-
Peeyush Agrawal
(Chief Financial Officer)

Place: - Bengaluru
Date: - July 30, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

I have examined the compliance of conditions of Corporate Governance by Valencia Nutrition Limited for the year ended 31st March, 2020 as stipulated in Regulation 17 of the Listing Regulation of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

For VB & Associates,

Place: Bengaluru
Date: 06.09.2020

Sd/-
Vighneshwar Bhat
FCS: 10557
C.P. No. 10012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALENCIA NUTRITION LIMITED

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of **VALENCIA NUTRITION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its losses and its cash flows for the year ended on that date.

Basis of our Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to note 24.15 of Financial Statements which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the standalone financial position of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

Other Information:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise of the Director's Report (but does not include the standalone financial statements and our auditor's report thereon). The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements:

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the Magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during

our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2019, included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 7th September, 2019 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - g) With respect to the matter to be included in the Auditors report under Section 197 (16) of the Act;

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the company to its directors is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in its standalone financial statements. Refer to Note 24.10 to the standalone financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Ravindra C
Partner
M. No. 213658
UDIN: 20213658AAAABB6081

Place: Bengaluru
Date: July 31st, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the aforesaid standalone financial statements of **VALENCIA NUTRITION LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the aforesaid standalone financial statements and such internal financial controls with reference to the aforesaid standalone financial statements were operating effectively as at March 31, 2020, based on the internal financial control with reference to the aforesaid standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Emphasis of Matter:

We draw attention to note 24.15 of Financial Statements which describes the uncertainties due to the outbreak of COVID-19 pandemic and management’s evaluation of the impact on the standalone financial position of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

Management’s Responsibility for Internal Financial Controls

The Company’s management and board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the aforesaid standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the aforesaid standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the aforesaid standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the aforesaid standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the aforesaid standalone financial statements included obtaining an understanding of such internal financial controls with reference to the aforesaid standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the aforesaid standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to the aforesaid standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the aforesaid standalone financial statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to the aforesaid Standalone Financial Statements

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

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Sd/-
Ravindra C Partner
M. No. 213658
UDIN: 20213658AAAABB6081

Place: Bengaluru

Date: July 31st, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property plant and equipment).
 - (b) The Company has a regular programme of Physical verification of fixed assets to cover all the items in a phased manner over a period of 3 years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 9 to the standalone financial statements, are held in the name of the company.
- (ii) The Inventory, except goods lying with Job workers place has been physically verified by management at reasonable intervals during the year. In our Opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties at the year-end, these have been confirmed by them. The discrepancies noticed on such verification between physical stock and the book records were not material.
- (iii) According to information and explanation provided to us, the Company has not granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly reporting under para 3 (iii) (a), (b) and (c) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, investments and guarantees to which the provisions of section 185 and 186 of the companies Act, 2013 apply. Accordingly reporting under para 3 (iv) (a),(b) and (c) of the order is not applicable to the company.
- (v) The Company has not accepted any deposit from the public within the meaning of the directives issued by Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) As informed, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and hence provisions of clause 3 (vi) of the same Order are not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues (other than as detailed below), including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. According to information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory due were in arrears as at 31st March 2020, for a period of more than six months from the date they become payable, except for bonus to the extent of Rs. 2,62,632/-.
- (b) According the information and explanations given to us there are no dues of Income tax, duty of customs, sales tax, duty of excise, service tax, Goods and Services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except for on-going litigation mentioned below :

Nature of Statute	Forum	Assessment year	Amount of Income/(Loss) Declared in the returns	Amount of Dispute
Income Tax Act, 1961	Income Tax Appellate Tribunal	AY 2015-16	(1,25,53,376)	1,36,67,666
Income Tax Act, 1961	Income Tax Appellate Tribunal	AY 2016-17	(1,22,60,266)	1,08,80,104

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company did not have any outstanding loans or borrowings from the government nor has it issued any debentures.
- (ix) During the year the Company has raised monies by way of Initial Public Offering of equity shares. According to the information and explanations given to us and based on our examination of the records of the Company, monies were applied for the purpose for which those were raised. The Company did not raise any money by way of further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion the Company is not a Nidhi Company as prescribed under section 406 of the Act, and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has made preferential allotment of shares as per section 42 of the Companies Act, 2013 and as per the information and explanation given to us, the amount raised have been used for the purposes for which the funds were raised.

- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Sd/-
Ravindra C Partner
M. No. 213658
UDIN: 20213658AAAABB6081

Place: Bengaluru
Date: July 31st, 2020

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Balance Sheet as at March 31, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	Note	As at 31-Mar-2020	As at 31-Mar-2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	5,58,53,410	27,64,070
Reserves and surplus	2	(75,04,675)	37,66,920
Share application money pending allotment			
		-	-
Non-current liabilities			
Long-term borrowings	3	56,34,913	18,04,189
Deferred tax liabilities (net)		-	-
Long-term provisions	4	9,25,770	5,49,211
Current liabilities			
Short-term borrowings	5	2,71,051	-
Trade payables	6		
A) Dues to Micro and Small Enterprises		7,84,478	-
B) Dues to Other parties		31,28,209	20,86,047
Other current liabilities	7	76,34,731	29,51,836
Short-term provisions	8	14,22,048	2,02,431
TOTAL		6,81,49,935	1,41,24,704
ASSETS			
Non-current assets			
Property, plant and equipment	9		
Tangible assets		1,43,73,010	11,32,105
Intangible assets		-	-
Capital work-in-progress		3,13,500	-
Non-current investments	10	10,000	-
Deferred tax assets (net)		-	-
Long-term loans and advances	11	77,89,873	11,45,500
Other non-current assets		-	-
Current assets			
Inventories	12	92,79,418	37,30,555
Trade receivables	13	2,43,782	13,20,030
Cash and cash equivalents	14	2,99,01,317	25,75,108
Short-term loans and advances	15	62,37,834	42,12,294
Other current assets	16	1,200	9,113
TOTAL		6,81,49,935	1,41,24,704
Accounting policies and other notes	24		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Manian & Rao*Chartered Accountants*

FRN : 0019835

Sd/-

Ravindra C

Partner

Membership No.213658

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Deepthi Anand]

Managing Director

DIN : 05246641

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Prabhha Shankarran]

Director

DIN : 07906258

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Peeyush Agrawal]

Chief Financial Officer

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Adarsha K.R]

Company Secretary, M.No. 43156

Place : Bengaluru

Date : 31.07.2020

Valencia Nutrition Limited

(Converted to Public Limited Company on April 9, 2018)

Statement of Profit and Loss for the year ended March 31, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	Note	Year ended 31-Mar-2020	Year ended 31-Mar-2019
REVENUE FROM OPERATIONS	17	2,37,25,185	1,41,65,759
Revenue from operations (net)		2,37,25,185	1,41,65,759
Other income	18	15,419	7,81,106
TOTAL REVENUE		2,37,40,604	1,49,46,865
EXPENSES			
Cost of materials consumed	19	3,03,86,627	1,27,47,714
Changes in inventories	20	(7,53,161)	(7,40,728)
Employee benefits expense	21	2,26,92,067	1,36,15,084
Finance costs	22	4,22,590	-
Depreciation and amortisation expense	9	12,28,002	6,44,959
Other expenses	23	1,31,30,032	1,00,93,756
TOTAL EXPENSES		6,71,06,158	3,63,60,785
Profit / (Loss) before tax		(4,33,65,555)	(2,14,13,920)
Tax expense:			
Current tax expense for current year		-	-
PROFIT FOR THE YEAR		(4,33,65,555)	(2,14,13,920)
Earnings per share (of Rs.10 each)			
Basic		(9.48)	(78.8)
Diluted		(9.48)	(78.8)

Significant accounting policies and notes to accounts 24

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Manian & Rao

Chartered Accountants

FRN : 001983S

Sd/-

Ravindra C

Partner

Membership No.213658

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Deepthi Anand]

Managing Director

DIN : 05246641

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Prabhha Shankarran]

Director

DIN : 07906258

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Peeyush Agrawal]

Chief Financial Officer

Place : Bengaluru

Date : 31.07.2020

Sd/-

[Adarsha K.R]

Company Secretary, M.No. 43156

Place : Bengaluru

Date : 31.07.2020

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)***Cash Flow Statement for the year ended March 31, 2020***(All amounts are in Indian Rupees, unless otherwise stated)*

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(4,33,65,555)	(2,14,13,920)
Adjustments for:		
Depreciation and amortisation expenses	12,28,002	6,44,959
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	-	18,086
Interest income	(15,419)	(7,81,106)
Bad debts/advances written off & provision made	65,215	3,15,853
Interest expense	4,15,160	-
	16,92,958	1,97,792
Cash Generated from operations before working capital changes	(4,16,72,596)	(2,12,16,128)
Adjustments for:		
(Increase)/decrease in inventories	(55,48,863)	(22,21,071)
(Increase)/decrease in trade receivables	10,11,032	(14,74,502)
(Increase)/decrease in short-term loans and advances	(20,38,200)	(24,08,779)
(Increase)/decrease in long-term loans and advances	(7,64,293)	(8,27,500)
Increase/(decrease) in trade payables	18,26,640	10,89,246
Increase/(decrease) in other current liabilities	45,57,309	11,99,897
Increase/(decrease) in short-term provisions	12,19,617	1,83,887
Increase/(decrease) in long-term provisions	3,76,559	1,28,088
	6,39,801	(43,30,734)
Cash generated from operations	(4,10,32,796)	(2,55,46,862)
Taxes paid (net of refunds)	12,660	(78,111)
Net cash generated from operating activities - [A]	(4,10,20,136)	(2,56,24,973)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of tangible/intangible assets	(2,05,36,901)	(8,49,197)
Sale proceeds of tangible/intangible assets	-	-
Purchase of investments	(10,000)	-
Sale of investments	-	-
Investment in bank deposits (having original maturity more than 3 months)	-	-
Redemption/maturity of bank deposits (having original maturity more than 3 m	-	-
Interest received	23,332	7,82,203
Net cash generated/(used in) from investing activities - [B]	(2,05,23,569)	(66,994)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Amounts borrowed during the year	1,64,80,000	57,30,000
Borrowings repaid	(1,23,78,225)	(57,30,000)
Capital received during the year including premiums	8,51,83,299	1,68,00,000
Share application money received / (repaid / transferred) net	-	-
Interest paid	(4,15,160)	-
Dividends paid	-	-
Dividend distribution tax paid	-	-
Net cash used in financing activities - [C]	8,88,69,914	1,68,00,000
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	2,73,26,209	(88,91,967)
Cash and cash equivalents at the beginning of the year	25,75,108	1,14,67,074
Cash and cash equivalents at the end of the year	2,99,01,317	25,75,108
Cash and cash equivalents comprise of:		
Cash on hand	18,483	222
Balances with banks:		
In current accounts	2,98,82,834	25,74,886
	2,99,01,317	25,75,108

Note : Cash and Cash Equivalents as on 31.03.2020 includes balance of Rs. 2,50,49,299/- in Escrow Account which is earmarked towards utilisation for the objects out of IPO proceeds.

As per our report of even date
For Manian & Rao
Chartered Accountants
FRN : 001983S

For and on behalf of the Board of Directors

Sd/-
Ravindra C
Partner
Membership No.213658
Place : Bengaluru
Date : 31.07.2020

Sd/-
[Deepthi Anand]
Managing Director
DIN : 05246641
Place : Bengaluru
Date : 31.07.2020

Sd/-
[Peeyush Agrawal]
Chief Financial Officer
Place : Bengaluru
Date : 31.07.2020

Sd/-
[Prabhha Shankarran]
Director
DIN : 07906258
Place : Bengaluru
Date : 31.07.2020

Sd/-
[Adarsha K.R]
Company Secretary, M.No. 43156
Place : Bengaluru
Date : 31.07.2020

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2020

	As at 31-Mar-2020	As at 31-Mar-2019
1 SHARE CAPITAL		
Authorised		
57,00,000 equity shares of Rs.10/- each <i>(Previous year: 55,00,000 equity shares of Rs.10/- each)</i>	5,70,00,000	5,50,00,000
	<u>5,70,00,000</u>	<u>5,50,00,000</u>
Issued, subscribed and fully paid up		
55,85,341 equity shares of Rs.10/- each <i>(Previous year: 2,76,407 equity shares of Rs.10/- each)</i> <i>(Also, refer note below)</i>	5,58,53,410	27,64,070
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	<u>5,58,53,410</u>	<u>27,64,070</u>
2 RESERVES AND SURPLUS		
Securities premium account		
Opening balance	8,21,06,259	6,55,86,259
Add / (less) : Movements during the year:		
Premium on shares issued during the year (Preferential Allotment)	3,11,81,500	1,65,20,000
Premium on shares issued on IPO during the year (Net of Issue Expenses)	4,04,23,299	-
Issue of Bonus Shares in the ration of 12:1	<u>(3,95,10,840)</u>	<u>-</u>
Closing balance	11,42,00,218	8,21,06,259
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(7,83,39,339)	(5,69,25,418)
Add / (less) : Movements during the year:		
Profit / (Loss) for the year	<u>(4,33,65,555)</u>	<u>(2,14,13,920)</u>
Closing balance	<u>(12,17,04,893)</u>	<u>(7,83,39,339)</u>
TOTAL RESERVES AND SURPLUS	<u>(75,04,675)</u>	<u>37,66,920</u>

Information pertaining to share capital and Reserves and Surplus:

a) Reconciliation of number of shares: Following is the reconciliation for number of shares as at the beginning and at end of the year:

Particulars	2019-20	2018-19
No of shares at the beginning of the year	2,76,407	2,48,407
Add: Shares issued during the year (Preferential Allotment)	52,850	28,000
Add: Issue of Bonus Shares	39,51,084	-
Add: Issue of Shares through IPO	13,05,000	-
Less: Shares bought back / cancelled during the year	-	-
No of shares at the end of the year	55,85,341	2,76,407

b) During the year, Company has made preferential allotment of 52,850 shares to existing shareholders, having face value of 10/- per share at a premium of Rs.590 per share. On such allotment share capital and premium account has been recorded for Rs. 5,28,500/- and Rs. 3,11,81,500 respectively.

c) The Company has made Bonus issue of 39,51,084 shares to the existing shareholders in the ratio 12:1 i.e 12 bonus shares for every 1 share held by them, by way of capitalizing Securities Premium Account on receipt of approval from shareholders on 13.11.2019.

d) During the Year, Company has successfully completed the Initial Public Offering (IPO) as per the applicable SEBI rules and regulations. The Company has made an Initial Public Offer of 15,72,000 Equity Shares of Rs.10/- each with premium of Rs.36/- per share vide prospectus dated 13th December, 2019. Out of the total shares 2,67,000 shares were offered for sale by existing shareholders and balance 13,05,000 Equity Shares were fresh issue. The IPO was opened on 23rd December, 2019 and closed on 27th December, 2019. The IPO of the company received an encouraging response from the investors and the public issue was oversubscribed. The equity shares of the company have been listed on SME platform of BSE Limited on 6th January, 2020.

Share capital and Premium on shares (net of IPO expenses of Rs.65,56,701/-) related to IPO have been accounted In the books for Rs. 1,30,50,000/- and Rs. 4,04,23,299/- respectively.

The company is in the process of filing of return of allotment and related documents for the above IPO with Ministry of Corporate Affairs.

e) The proceeds of the IPO is transferred to an ESCROW account maintained with ICICI Bank Ltd and utilisation of the proceeds are from the ESCROW account.

f) Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2020

As at 31-Mar-2020**As at 31-Mar-2019**

g) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Shares of Rs. 10/- each fully paid-up				
Deepthi Anand	18,79,904	33.66%	1,44,608	52.30%
Manish Turakhia	2,38,329	4.27%	18,333	6.60%
Veer Value Ventures LLP	5,85,000	10.47%	-	-
Chauhan Ventures LLP	2,21,000	3.96%	17,000	6.20%
Rajkumar Elango	63,427	1.14%	13,879	5.00%
Venugopal Nambiar	1,04,855	1.88%	13,835	5.00%
Rachel Kattakaran	1,04,855	1.88%	13,835	5.00%

3 LONG-TERM BORROWINGS**Term loans from banks**

Secured	38,30,724	-
Unsecured	-	-
	<u>38,30,724</u>	<u>-</u>

Loans from Directors

Secured	-	-
Unsecured	-	18,04,189
	<u>-</u>	<u>18,04,189</u>

Other loans and advances (specify nature)

Secured	-	-
Unsecured Loans from related parties (refer note 24.12)	18,04,189	-
	<u>18,04,189</u>	<u>-</u>

TOTAL LONG-TERM BORROWINGS

	<u>56,34,913</u>	<u>18,04,189</u>
--	-------------------------	-------------------------

Note:

a) Secured borrowings from banks are secured against first charge by way of mortgage of immovable property.

b) Terms of Loan and repayment is given below

Name of Bank	Amount of Loan	Rate of Interest	Tenure
Udaya Souharda Credit Co-operativie Ltd	46,00,000	15%	100 months

c) Unsecured loan from related parties includes loan from erstwhile director of the company which are interest free and repayable on demand.

4 LONG-TERM PROVISIONS**Provision for employee benefits**

Provision for compensated absences (Refer note 24.4)	2,78,048	76,609
Provision for gratuity (net) (Refer Note 24.3)	6,47,722	4,72,602
TOTAL LONG-TERM PROVISIONS	<u>9,25,770</u>	<u>5,49,211</u>

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2020

	As at 31-Mar-2020	As at 31-Mar-2019
5 SHORT-TERM BORROWINGS		
Loans repayable on demand - from banks		
Unsecured	2,71,051	-
TOTAL SHORT-TERM BORROWINGS	2,71,051	-
6 TRADE PAYABLES		
Outstanding Dues of Micro, Small and Medium Enterprises (MSME) (Refer note 24.8)	7,84,478	
Outstanding Dues for others	31,28,209	20,86,047
TOTAL OF TRADE PAYABLE	39,12,687	20,86,047
7 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt	5,52,000	-
Statutory remittances payable	16,91,239	2,19,658
Payables on purchase of fixed assets	1,25,586	-
Advances from customers	7,89,517	2,14,145
Accrued Expenses	44,76,389	25,18,033
TOTAL OF OTHER CURRENT LIABILITIES	76,34,731	29,51,836
8 SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences (Refer Note 24.4)	3,78,914	1,16,554
Provision for gratuity (net) (Refer Note 24.3)	1,18,140	85,877
	4,97,054	2,02,431
Provision - Others		
Provision towards expired stock	9,24,994	-
	9,24,994	-
TOTAL OF SHORT-TERM PROVISIONS	14,22,048	2,02,431
10 NON-CURRENT INVESTMENTS		
Other investments		
Investment in equity instruments of:		
Other entities (Investment In Udaya Souharda Credit Co-operativ Ltd)	10,000	-
Total of other investments	10,000	-
Total of trade and other investments	10,000	-
(Less): Provision for diminution in value of investments	-	-
TOTAL OF NON-CURRENT INVESTMENTS	10,000	-
11 LONG-TERM LOANS AND ADVANCES		
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	58,80,080	-
Doubtful	-	-
	58,80,080	-
(Less): Provision for doubtful capital advances	-	-
	58,80,080	-
Security deposits		
Secured, considered good	-	-
Unsecured, considered good	18,45,982	11,45,500
Other loans and advances	63,811	-
TOTAL OF LONG-TERM LOANS AND ADVANCES	77,89,873	11,45,500

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2020

	As at 31-Mar-2020	As at 31-Mar-2019
12 INVENTORIES		
(At lower of cost and net-realizable value)		
Raw materials	71,55,537	23,59,835
Finished goods	21,23,881	13,70,720
TOTAL INVENTORIES	92,79,418	37,30,555
13 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months:		
Unsecured, considered good	1,14,006	3,09,537
Doubtful	-	65,685
	1,14,006	3,75,222
Less: Provision for doubtful trade receivables	-	(65,685)
	1,14,006	3,09,537
Other Trade receivables		
Unsecured, considered good	1,29,777	10,42,350
Doubtful	-	37,659
	1,29,777	10,80,009
Less: Provision for doubtful trade receivables	-	(69,516)
	1,29,777	10,10,493
TOTAL TRADE RECEIVABLES	2,43,782	13,20,030
14 CASH AND CASH EQUIVALENTS		
Balances with ESCROW Account in ICICI Bank (Refer Note)	2,50,49,299	-
Balances with other banks	48,33,535	25,74,886
Cash on hand	18,483	222
TOTAL CASH AND CASH EQUIVALENTS	2,99,01,317	25,75,108
Note: Earmarked for utilisation for the object of IPO.		
15 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise specified)		
Prepaid expenses	57,807	1,365
Advance Income Tax and TDS, net of provisions	78,109	78,109
Income tax refund receivable	-	12,660
Advances to Vendors	4,11,124	21,40,116
Receivable from Government Authorities	56,90,794	19,80,044
TOTAL SHORT-TERM LOANS AND ADVANCES	62,37,834	42,12,294
16 OTHER CURRENT ASSETS		
Interest accrued	1,200	9,113
TOTAL OF OTHER CURRENT ASSETS	1,200	9,113

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the year ended March 31, 2020

	<i>(All amounts are in Indian Rupees, unli</i>	
	Year ended	Year ended
	31-Mar-2020	31-Mar-2019
17 REVENUE FROM OPERATIONS		
Sale of products		
Domestic sales	2,37,25,185	1,20,76,373
Export sales	-	20,89,386
Other operating revenues	-	-
TOTAL REVENUE FROM OPERATIONS	2,37,25,185	1,41,65,759
18 OTHER INCOME		
Interest income	15,419	7,81,106
TOTAL OTHER INCOME	15,419	7,81,106
19 COST OF MATERIALS CONSUMED		
Opening stock	23,59,835	8,79,492
Add: Cost of material (refer note 24.11 (i) & (ii))	3,51,82,330	1,42,28,057
	3,75,42,165	1,51,07,549
(Less): Closing stock	71,55,537	(23,59,835)
TOTAL COST OF MATERIALS CONSUMED	3,03,86,627	1,27,47,714
20 CHANGES IN INVENTORIES		
Inventories at the end of the year:		
Finished goods	21,23,881	13,70,720
Inventories at the beginning of the year:		
Finished goods	13,70,720	6,29,992
NET (INCREASE) / DECREASE	(7,53,161)	(7,40,728)
21 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,87,81,521	1,14,75,448
Directors' remuneration	18,32,772	16,86,000
Contributions to provident and other funds	20,01,357	4,14,708
Staff welfare expenses	76,417	38,928
TOTAL EMPLOYEE BENEFITS EXPENSE	2,26,92,067	1,36,15,084
22 FINANCE COSTS		
Interest expense on borrowings	4,22,590	-
TOTAL FINANCE COSTS	4,22,590	-
23 OTHER EXPENSES		
Office Expenses	1,21,333	-
Power fuel & water charges	40,425	16,549
Rent including lease rentals	7,66,190	4,42,840
Repairs and maintenance - Others	1,18,983	2,77,231
Website maintenance charges	7,649	31,898
Rates and taxes	6,15,827	64,843
Communication	1,34,583	1,52,168
Travelling and conveyance	30,29,265	19,64,889
Printing and stationery	4,80,903	3,73,563
Freight and forwarding	34,91,111	16,47,380
Commission, Incentives and discounts	41,461	2,61,094
Warehouse Maintenance Expenses	1,74,385	-
Business promotion	13,83,371	34,30,448
Training and development expenses	19,108	54,952
Legal and professional	11,16,541	7,72,295
Payments to auditors - As Statutory Auditors	1,05,000	77,000
Bad trade receivables written off	2,00,417	1,80,652
Provision for doubtful trade receivables	(1,35,202)	1,35,201
Provision for expiry	9,24,994	-
Net loss on foreign currency transactions and translation	-	26,092
Loss on fixed assets sold / scrapped / written off - net	-	18,086
Duties & Taxes	3,51,325	-
Miscellaneous expenses	1,42,363	1,66,576
TOTAL OTHER EXPENSES	1,31,30,032	1,00,93,756

Valencia Nutrition Limited

(Converted to Public Limited Company on April 9, 2018)

Notes to the financial statements for the year ended March 31, 2020

9 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block / Original cost				Accumulated depreciation			Net block		
	As at 31-Mar-2019	Additions	Disposals / transfers	As at 31-Mar-2020	As at 31-Mar-2019	Charge for the year	Eliminated on disposal of assets	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
TANGIBLE ASSETS										
Freehold land	-	1,09,64,333	-	1,09,64,333	-	-	-	-	1,09,64,333	-
Plant and Equipment	1,43,125	20,52,124	-	21,95,249	68,125	2,94,592	-	3,62,717	-	75,000
Computers and IT equipments	2,34,811	-	-	2,34,811	1,90,817	19,840	-	2,10,657	24,154	43,994
Furniture and fittings	4,48,136	-	-	4,48,136	3,46,067	26,436	-	3,72,503	75,633	1,02,069
Office equipment	1,54,007	-	-	1,54,007	1,23,107	13,034	-	1,36,141	17,866	30,900
Moulds, tools and cylinders	21,79,194	9,85,600	-	31,64,794	16,57,333	6,39,718	-	22,97,051	8,67,743	5,21,861
Vehicles	3,50,000	-	-	3,50,000	606	2,20,817	-	2,21,423	1,28,577	3,49,394
Laboratory equipment	17,350	4,66,850	-	4,84,200	8,463	13,565	-	22,028	4,62,172	8,887
	35,26,623	1,44,68,907	-	1,79,95,530	23,94,518	12,28,002	-	36,22,520	1,43,73,010	11,32,105
INTANGIBLE ASSETS										
Goodwill	-	-	-	-	-	-	-	-	-	-
Brands / trademarks	-	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
CAPITAL WORK IN PROGRESS										
CAPITAL WORK IN PROGRESS	-	3,13,500	-	3,13,500	-	-	-	-	3,13,500	-
TOTAL FIXED ASSETS	35,26,623	1,47,82,407	-	1,83,09,030	23,94,518	12,28,002	-	36,22,520	1,46,86,510	11,32,105
<i>Previous year</i>	<i>28,24,560</i>	<i>8,49,197</i>	<i>1,47,134</i>	<i>35,26,623</i>	<i>18,78,607</i>	<i>6,44,959</i>	<i>1,29,048</i>	<i>23,94,518</i>	<i>11,32,105</i>	<i>9,45,953</i>

FIXED ASSETS AS AT MARCH 31, 2019

Particulars	Gross block / Original cost				Accumulated depreciation			Net block		
	As at 31-Mar-2018	Additions	Disposals / transfers	As at 31-Mar-2019	As at 31-Mar-2018	Charge for the year	Eliminated on disposal of assets	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
TANGIBLE ASSETS										
Plant and Equipment	1,43,125	-	-	1,43,125	51,550	16,575	-	68,125	75,000	91,575
Computers and IT equipments	2,59,550	46,250	70,989	2,34,811	2,46,393	14,768	70,344	1,90,817	43,994	13,157
Furniture and fittings	5,15,281	-	67,145	4,48,136	3,55,541	41,370	50,844	3,46,067	1,02,069	1,59,740
Office equipment	1,26,680	36,327	9,000	1,54,007	1,03,985	26,982	7,860	1,23,107	30,900	22,695
Moulds, tools and cylinders	17,73,194	4,06,000	-	21,79,194	11,14,408	5,42,925	-	16,57,333	5,21,861	6,58,786
Vehicles	-	3,50,000	-	3,50,000	-	606	-	606	3,49,394	-
Laboratory equipment	6,730	10,620	-	17,350	6,730	1,733	-	8,463	8,887	-
	28,24,560	8,49,197	1,47,134	35,26,623	18,78,607	6,44,959	1,29,048	23,94,518	11,32,105	9,45,953
<i>Previous year</i>	<i>22,39,063</i>	<i>5,93,524</i>	<i>8,027</i>	<i>28,24,560</i>	<i>13,22,058</i>	<i>5,63,460</i>	<i>6,911</i>	<i>18,78,607</i>	<i>9,45,953</i>	<i>9,17,005</i>

24.1. Corporate Information:

Valencia Nutrition Limited ('the Company'), headquartered in Bangalore, Karnataka, India, was incorporated on 1st April, 2013. The company is engaged in the business of developing, manufacturing, sale & distribution of nutraceutical products. The Company has entered into the listing agreement with the BSE Limited on 02 January 2020, pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its shares. The company has successfully completed the Initial Public Offering (IPO) in the current year and its shares have started trading on the Bombay Stock Exchange Startups (BSE Startups) on 06 January 2020.

The above financial statements were authorised for issue in accordance with a resolution of the Board of directors on 31 July, 2020.

24.2. Summary of significant accounting policies:

a) Basis of preparation of financial statements

The financial statements have been prepared on the basis of a going concern assumption, on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has considered twelve months as its operating cycle.

d) Cash Flow Statement

Cash Flow Statement is prepared under the “Indirect Method” as set out in the Accounting Standard 3 (AS-3), “Cash Flow Statements”, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

e) Cash and Cash Equivalents

Cash comprises cash on hand, current accounts and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method, considering a salvage value of 5%. The estimated useful lives of assets are as follows:

Asset	Estimated useful life
Plant & equipment	15 years
Office equipment	5 years
Tools	3 years
Computers and IT equipment	3 years
Furniture & fittings	10 years

Depreciation method, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. The cost incurred on assets yet to be available for use as at the end of the reporting period is disclosed as “Capital Work in Progress”. Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

Advances paid towards the acquisition of property, plant and equipment, Tools outstanding at each balance sheet date are classified as capital advances under other non-current assets.

g) Depreciation and Amortization

Depreciation on property, plant & equipment is provided on pro-rata basis for the period of use, on Written down value at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

h) Revenue recognition

Revenue from sale of products are recognised when substantial risks and rewards of ownership are transferred to customers, and are stated net of trade discounts, rebates and goods and services tax.

i) Inventories

a) Raw materials, traded goods, work in progress, Packing materials and stores and spares are valued at cost or Net Realizable Value whichever is lower .

b) Cost of Raw material is arrived on First in First out (FIFO) basis and includes costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress includes direct materials, conversion cost and direct manufacturing overheads.

d) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.

e) Consumables are charged to the Statement of Profit and Loss in the year of purchase irrespective of the value.

j) Employee benefits and other benefits to employees

The company accounts for salaries on an accrual basis. The Company's provident fund schemes are defined contribution plans. The contributions paid/payable under the schemes are recognized immediately in the Statement of Profit and Loss.

Gratuity Obligations

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using Projected Unit Credit (PUC) method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Past service cost is recognized as an expense on a straight line basis over the average period until the benefit becomes vested. To the extent the benefits are already vested past service cost is recognized immediately.

Leave Encashment Benefit

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

k) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognised in the Statement of Profit and Loss.

l) Accounting for taxes on income

- i) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- ii) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation

m) Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at appropriate discount rates. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

n) Provisions and Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date. Contingent Assets are not recognised or disclosed in the financial statements.

o) Segment Reporting

The Company is engaged in the business of non-alcoholic nutrition based beverages. The risks and returns of the Company are predominantly determined by its principal product and the Company's activities fall within a single business segment. The geographical segment is based on the location of the customers.

p) Earnings Per Share

Basic Earnings per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.

q) Leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss based on the terms of the agreement and the effect of lease equalisation is not given considering the increment is on account of inflation factor.

24.3 Provision for gratuity:

The company has accounted for the provision on gratuity on an actuarial basis as per the assumptions and information stated below:

Particulars	2019-20	2018-19
Retirement age (in years)	58	58
Discount rate	5.66% PA	7.05% PA
Salary escalation rate	15% PA	15% PA
Total monthly salary (In Rs.000s)	Rs.1078	Rs.536
Rate of Return on Plan Assets	NA	NA
Average future service (in years)	24.43	22.64

Change in Present Value of Obligations:

Figures in Rs.

Particulars	2019-20	2018-19
Present Value of Obligation as at the beginning of the year	558,479	439,667
Acquisition adjustment	-	-
Interest Cost	39,373	34,514
Past Service Cost	-	-
Current Service Cost	166,242	144,693
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligations	1,768	(66,395)
Present Value of Obligation as at the end of the year	765,862	558,479

Change in Fair Value of Plan Assets: Not applicable as there are no plan assets

Fair Value of Plan Assets

Figures in Rs.

Particulars	2019-20	2018-19
Fair Value of Plan assets as at the beginning of the year	-	-
Acquisition adjustment	-	-
Actual return on plan assets	-	-
Employer's Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan assets as at the end of the year	-	-
Funded Status	(765,862)	(558,479)
Excess of actual over estimated return on plan assets	-	-

Actuarial Gain/ Loss Recognised

Figures in Rs.

Particulars	2019-20	2018-19
Actuarial Gain/(Loss) for the year – Obligation	(1,768)	60,395
Actuarial (Gain)/Loss for the year – Plan Assets	-	-
Total (Gain)/Loss for the year	1,768	(60,395)
Actuarial Gain/(Loss) recognised in the year	1,768	(60,395)
Unrecognised Actuarial (gains)/losses at the end of the year	-	-

The amount to be recognised in Balance Sheet and Statements of Profit and Loss

Figures in Rs.

Particulars	2019-20	2018-19
Present value of obligation as at the end of the year	765,862	558,479
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	(765,862)	(558,479)
Unrecognised Actuarial (gains)/losses	-	-
Net Assets/(Liability) Recognised in Balance Sheet	(765,862)	(558,479)

Expense recognised in Statement of Profit and Loss

Figures in Rs.

Particulars	2019-20	2018-19
Current Service Cost	166,242	144,693
Past Service Cost	-	-
Interest Cost	39,373	34,514
Expected Return on Plan Assets	-	-
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Net actuarial (gain)/loss recognized in the year	1,768	(60,395)
Expenses Recognised in the Statement of Profit & Loss	207,383	118,812

24.4 Provision for Compensated Absences:

The company has accounted for the provision on leave encashment on an actuarial basis as per the assumptions and information stated below:

Particulars	2019-20	2018-19
Discount rate	5.66% PA	7.05% PA
Salary escalation rate	15% PA	15% PA
Total monthly salary (In Rs.000s)	Rs. 2,563	Rs. 1,259
Rate of Return on Plan Assets	NA	NA
Average future service (in years)	24.43	22.64

Change in Present Value of Obligations:

Figures in Rs.

Particulars	2019-20	2018-19
Present Value of Obligation as at the beginning of the year	193,163	-
Acquisition adjustment	-	-
Interest Cost	13,618	-
Past Service Cost	-	71,507
Current Service Cost	182,774	121,656
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligations	267,407	-
Present Value of Obligation as at the end of the year	656,962	193,163

Change in Fair Value of Plan Assets: Not applicable as there are no plan assets

Fair Value of Plan Assets

Figures in Rs.

Particulars	2019-20	2018-19
Fair Value of Plan assets as at the beginning of the year	-	-
Acquisition adjustment	-	-
Actual return on plan assets	-	-
Employer's Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan assets as at the end of the year	-	-
Funded Status	(656,962)	(193,163)
Excess of actual over estimated return on plan assets	-	-

Actuarial Gain/ Loss Recognised

Figures in Rs.

Particulars	2019-20	2018-19
Actuarial Gain/(Loss) for the year – Obligation	(267,407)	-
Actuarial (Gain)/Loss for the year – Plan Assets	-	-
Total (Gain)/Loss for the year	267,407	-
Actuarial Gain/(Loss) recognised in the year	267,407	-
Unrecognised actuarial (gains)/losses at the end of the year	-	-

The amount to be recognised in Balance Sheet and Statements of Profit and Loss

Figures in Rs.

Particulars	2019-20	2018-19
Present value of obligation as at the end of the year	656,962	193,163
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	(656,962)	(193,163)
Unrecognised Actuarial (gains)/losses	-	-
Net Assets/(Liability) Recognised in Balance Sheet	(656,962)	(193,163)

Expense recognised in Statement of Profit and Loss

Figures in Rs.

Particulars	2019-20	2018-19
Current Service Cost	182,774	121,656
Past Service Cost	-	71,507
Interest Cost	13,618	-
Expected Return on Plan Assets	-	-
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Net actuarial (gain)/loss recognized in the year	267,407	-
Expenses Recognised in the Statement of Profit & Loss	463,799	193,163

24.5 a) Business segment

The Company has only one reportable business segment of dealing in non-alcoholic nutrition based beverages. Hence, no disclosure is required for business segment.

b) Geographical segments

The Company's secondary segments are geographic distribution of activities. Revenue and receivables are specified by location/country of customers while the other geographic information is specified by location of the assets. The following table presents revenue and asset information regarding the Company's geographical segments:

Figures in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
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<u>Revenue</u>		
India	237,25,185	120,76,373
Others	-	20,89,386
<u>Assets</u>		
India	681,49,935	141,24,704
Others	-	-
<u>Capital Expenditure</u>		
India	147,82,407	8,49,197
Others	-	-

24.6 Deferred tax assets/liabilities (net):

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Deferred tax assets:		
On account of depreciation as per books and tax purposes	3,80,049	
On account of Provision for Employee Benefits	3,58,096	
On account of other provisions	2,32,802	
Total Deferred Tax Asset	9,70,947	-
Deferred tax liabilities:	-	-
Net deferred tax asset / (liability)	9,70,947	-

The company has not recognised net deferred tax asset arising on account of timing difference of expenses allowed as per books and income tax and on accumulated losses on prudence, as there does not exist virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

24.7 Earnings per share

Earnings per share has been computed as under:

Particulars		Year ended 31-Mar-20	Year ended 31-Mar-19
Profit/(loss) for the year, available for equity shareholders	(a)	(433,65,555)	(2,14,13,921)
Weighted average number of shares outstanding	(b)	45,76,339	2,71,804
Earnings /(loss) per share [of Rs.10 each]- Basic (Rs.)	(a)/(b)	(9.48)	(78.80)

24.8 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pertaining to the said MSMED Act are as follows.

Sl No.	Particulars	2019-20	2018-19
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid at the year end	784,478	-
2.	Interest due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-

24.9 Foreign currency

Following is the information on earnings and expenditure in foreign currency:

Particulars	2019-20	2018-19
Earnings in foreign exchange (export of goods)	-	20,89,386
Expenditure in foreign currency	-	-

24.10 Contingent Liabilities

As at the reporting date, the Company have contingent liability or commitments as listed below :

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Contingent liabilities:		
(a) Claims against the company not acknowledged as debt	Nil	Nil
(b) Guarantees	178,080*	Nil
(c) Other money for which the company is contingently liable	Nil	Nil
Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account & not provided for	Nil	Nil
(b) Uncalled liability on shares & other investments	Nil	Nil
(c) Other commitments	Nil	Nil

Note :

- Guarantees pertains to bank guarantee furnished to GST authorities' related dispute on classification of goods in the e-way bill. The Company expects that it is not probable that it would result in additional cash outflow, and that the corresponding amount of deposit held as security would be released accordingly.
- Income Tax Authorities, during the Income Tax Assessment for AY 2015-16 & AY 2016-17 has made certain additions to the total loss declared by the company in the Tax returns. The company preferred appeal against such orders and the same is pending at Income Tax Appellate **Tribunal – Bangalore**. Details of the same is given below:

Nature of Statute	Forum	Assessment year	Amount of Income/(Loss) Declared	Amount of Disallowance as per Assessing officer
Income Tax Act, 1961	Income Tax Appellate Tribunal	AY 2015-16	(1,25,53,376)	1,36,67,666
Income Tax Act, 1961	Income Tax Appellate Tribunal	AY 2016-17	(1,22,60,266)	1,08,80,104

The company is of the view that disallowance made is not proper and there is no implication on the financials statements of the Company due to such disallowance, as the accumulated tax losses exceed amount of addition and the Company expects no financial outflow on this account.

24.11 Information on revenue and purchases:

The Company gets its products processed through bottling units under two models:

- Job work model – Where the Company sends raw material and packing materials to the bottling unit for job work, and the Unit despatches finished products. Units charge for the 'job work' in such instances. Job work charges amounting to Rs.64, 82,528/- (previous year – 57, 00,207) and are presented in **Note 19** grouped under Cost of material consumed.

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Note No.24 to the financial statements for the year ended March 31, 2020

- ii) Sale & purchase model – Under this model, the Company sells raw materials & packing materials to bottling units, and such units sell finished goods to the Company. Net amount of Purchases of Finished goods and Sale of Raw material from/to the subcontractor is grouped under cost of material consumed and disclosed in **Note 19** under cost of material consumed to the extent of Rs. 59,06,421/- (previous year – 24,54,164)

24.12 Related party disclosures:

- a) Names of related parties and nature of relationship:

Key Management Personnel (KMP):	Entities in which KMP has control or significant influence:
<ul style="list-style-type: none"> - Deepthi Anand (Managing Director) - Manish Turakhia (Director) - Stavan Pravin Ajmera (Director) - Prabhha Shankarran (Director) - Peeyush Agrawal (Chief Financial Officer) - Adarsha K R (Company Secretary) 	<ul style="list-style-type: none"> - Arham Ventures - Ample Ventures - Ashit Alapi Ventures - Vishwa Vama Ventures - Sanghavi Ventures - Jash Ventures - Chauhan Ventures LLP - HM Arvind Kumar Ventures LLP - Simran Ventures - JMR Ventures - JB Ventures - Veer Capital Management Private Limited - Veer Value ventures LLP

- b) Transactions during the year:

Particulars	2019-20	2018-19
Money received towards share capital and premiums:		
➤ Jash Ventures	47,10,000	-
➤ Veer Value Ventures LLP	2,70,00,000	-
➤ Chauhan Ventures LLP	-	1,68,00,000
Unsecured loan received from related parties:		
➤ Deepthi Anand	43,50,000	-
➤ Prabhha Shankarran	3,05,000	-
➤ Manish Turakhia	57,25,000	-
Unsecured loan repaid to related parties:		
➤ Deepthi Anand	43,50,000	-
➤ Prabhha Shankarran	3,05,000	-
➤ Manish Turakhia	57,25,000	-
Salary Advance given to related parties		
➤ Peeyush Agarwal	2,14,600	-
Salary Advance adjusted/received from related parties		
➤ Peeyush Agarwal	2,14,600	-
Remuneration paid to Directors and KMP's:		
➤ Deepthi Anand	12,00,000	12,00,000
➤ Prabhha Shankarran	6,32,772	4,86,000
➤ Peeyush Agrawal	14,26,171	13,20,000
➤ Adarsha K.R	1,80,000	1,80,000

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Note No.24 to the financial statements for the year ended March 31, 2020

Particulars	2019-20	2018-19
Reimbursement of expenses paid to related parties:		
➤ Deepthi Anand	27,527	1,38,748
➤ Prabha Shankarran	5,000	2,933
➤ Peeyush Agrawal	1,56,290	1,18,623
➤ Adarsha K R	1,800	-
Sales to related parties:		
➤ Deepthi Anand	-	14,628
➤ Peeyush Agrawal	-	5,229
➤ Veer Capital Management Private Limited	21,127	38,595

c) Balances as at the year-end:

Particulars	2019-20	2018-19
Salary payable:		
➤ Deepthi Anand	98,000	5,10,922
➤ Prabhha Shankarran	50,731	44,969
➤ Peeyush Agrawal	1,18,175	93,725
➤ Adarsha K.R	14,687	14,537
Reimbursement of Expenses Payable:		
➤ Deepthi Anand	16,084	33,163
➤ Peeyush Agrawal	478	13,534
Receivables:		
➤ Veer Capital Management Private Limited	7,041	9225

d) Unsecured loans outstanding, as disclosed in Note 3 include borrowings from erstwhile directors of the company as follows:

Particulars	2019-20	2018-19
➤ Rajkumar Elango	6,00,189	6,00,189
➤ Rachel Kattukaran	6,02,000	6,02,000
➤ Venugopal Nambiar	6,02,000	6,02,000

24.13 Auditors Remuneration:

Particulars	FY 2019-20	FY 2018-19
For Statutory Audit	1,05,000	77,000

24.14 Lease:

- The company has not entered into any non-cancellable lease during the year.
- The Company has taken premises on lease which are in the nature of operating lease. Rentals paid during the year has been charged to Profit and Loss Account.

24.15 Uncertainty relating to the global health pandemic on COVID-19

- The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables, employee benefits payable, leases and Investment as on 31.03.2020. In developing the assumptions relating to the possible future uncertainties in the global

VALENCIA NUTRITION LIMITED

Note No.24 to the financial statements for the year ended March 31, 2020

economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal sources of information including economic forecasts etc., As per the management assessment, there is no impact on the financial position of the company and its ability to continue as a going concern as at 31st March, 2020 due to COVID-19 situation.

- b) The impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration this may affect the continuation of clients, reduction in demand of the product, attrition of the employees, increase in cost etc., consequently may impact the future profitability of the company.

24.16 All amounts are in Indian Rupees unless otherwise specified therein. Previous year's figures have been reclassified wherever necessary, to conform to the current year's classification.

As per our attached report of even date.

For Manian & Rao
Chartered Accountants
FRN: 001983S

For and on behalf of the Board of Directors

Sd/-
Ravindra C
Partner
Membership No: 213658

Sd/-
[Deepthi Anand]
Director Director
DIN: 05246641

Sd/-
[Prabhha Shankarran]
DIN: 07906258

Date: 31st July, 2020
Place: Bengaluru

Sd/-
[Peeyush Agrawal]
Chief Financial Officer

Sd/-
[Adarsha K.R]
Company Secretary, M.No.43156

VALENCIA NUTRITION LIMITED

CIN: U51909KA2013PLC068380

Regd. Office: D. NO. 134, 6th Main, 1st Block, Banashankari 3rd stage, Bangalore - 560085

Corporate Office: #11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd stage,
Bengaluru – 560 085

Tel.: 080 – 26799552

Website: www.valencianutrition.com;

Email: info@valencianutrition.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

7th Annual General Meeting – Wednesday, September 20, 2020

Name of the Member(s)	
Registered Address:	
Email-Id:	
Folio No./Client ID:	
DP ID:	

I/we, being the member (s) of.....shares of the above named company, hereby appoint

1. Name.....Email:.....Address:.....
.....
..... Signature:_____

or failing him/her

2. Name.....Email:.....Address:.....
.....
..... Signature:_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on Wednesday, September 30, 2020 at 11.00 A.M. at #11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd stage, Bengaluru – 560 085 and at any adjournment thereof in respect such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
1.	Adoption of Audited Financial Statements of the company for the year ended March 31, 2020, the reports of the Board of Directors and auditors thereon and the Audited Consolidated Financial statements of the company for the financial year ended March 31, 2020			
2.	Appoint a director in place of Ms. Shankarran Prabhha, who retires by rotation and being eligible, seeks reappointment			
3.	Appointment of M/s. Manian & Rao as Statutory Auditors of the Company for a period of 5 years			

Signed this..... day of..... 2020

.....
Signature of shareholder(s)

.....
Signature of Proxy holder(s)

Please
Affix ₹ 1
Revenue
Stamp

.....
Signature of Proxy holder(s)

.....
Signature of Proxy holder(s)

Notes:

1. *This form of proxy in order to be effective should be duly completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.*
2. *It is optional to indicate your preference. If you leave for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.*
3. *The proxy need not be a member of the company. Appointing proxy does not prevent a member from attending in person if he so wishes.*
4. *In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*

VALENCIA NUTRITION LIMITED

CIN: U51909KA2013PLC068380

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Website: www.valencianutrition.com;

Email: info@valencianutrition.com

ATTENDANCE SLIP

Registered Folio No./DP ID no./Client ID no.:	
DP ID - Client ID	
No. of Shares Held	

I hereby record my presence at 7th Annual General Meeting of the Company, to be held on Wednesday 30th September, 2020 at 11.00 A.M. at #11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd stage, Bengaluru – 560 085.

.....
Name of the member/proxy	Signature of the member/proxy
(in BLOCK Letters)	

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Notice for reference to the AGM.