FlexiTuff
VENTURES

ANNUAL REPORT
2019-2020

GROWTH,
woven with VALUES

INSIDE THIS REPORT

FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospect and take informed investment decisions. This report and other statement - written and oral - that we periodically make, may content forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipates," "estimates", "expects", "projects", "intends", "plans", "believes" and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumption. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anirudh Chittaranjan Sonpal
Chairman and Non- Executive Independent Director

Mr. Bhuwan Navneet Modi
Non-Executive Independent Director (upto 14.11.2019)

Mr. Dharmendra Pawar
Non-Executive Independent Director (w.e.f. 14.02.2020)

Mr. Anand Khandelwal
Whole-Time Director

Mr. Saurabh Kalani
Whole-Time Director

Mr. Ashish Jamidar
Whole-Time Director (upto 30.09.2019)

Mr. Jagdish Prasad Pandey
Whole-Time Director (w.e.f. 11.09.2020)

Ms. Alka Sagar
Woman Non Executive Director

BANKERS/LENDERS

UCO Bank (Lead Bank)
State Bank of India
Tamilnad Mercantile Bank
IFCI Venture Capital Funds Limited
Punjab National Bank
Axis Bank
KKR India Financial Services Limited
International Finance Corporation
Central Bank of India
Bank of Baroda
IFCI Limited
TPG Growth II SF PTE. LTD.

AUDITORS

Joint Statutory Auditors

Mahesh C Solanki & Co.
Chartered Accountants, Indore (M.P).

MSKA & Associates (Formerly known as MZSK & Associates),
Chartered Accountants, Mumbai (MH).

Secretarial Auditor

M/s. Ritesh Gupta & Co.
Company Secretaries, Indore.

COMMITTEES OF DIRECTORS

Audit Committee
Mr. Anirudh Sonpal (Chairman)
Mr. Dharmendra Pawar
Mr. Saurabh Kalani

Shareholders' Relationship Committee
Mr. Dharmendra Pawar (Chairman)
Ms. Alka Sagar
Mr. Anirudh Sonpal

Nomination and Remuneration Committee
Mr. Dharmendra Pawar (Chairman)
Ms. Alka Sagar
Mr. Anirudh Sonpal

CSR Committee
Mr. Saurabh Kalani (Chairman)
Ms. Alka Sagar
Mr. Dharmendra Pawar

Management Committee
Mr. Saurabh Kalani (Chairman)
Mr. Anand Khandelwal
Mr. Dharmendra Pawar

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai - 400083
Tel.: +91 22 4918 6000,
Fax: +91 22 4918 6060
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

REGISTERED OFFICE

C-41 - 50, Special Economic Zone, Sector - III, Industrial Area,
Pithampur, Dist. Dhar - 454775,
Madhya Pradesh
Tel. +91 7292 420200,
Fax: 07292-401684
Email: investors@flexituff.com
Website: www.flexituff.com

OTHER KEY MANAGERIAL PERSONNEL

Mr. Ajay Mundra
Chief Financial Officer
(upto 15.05.2020)

Ms. Khushboo Kothari
Company Secretary

MANUFACTURING FACILITIES

SEZ Unit
C-41 - 50, Special Economic Zone, Sector - III,
Industrial Area, Pithampur
Dist. Dhar - 454775,
Madhya Pradesh

DTA Unit
94, Industrial Area, Sector - I,
Pithampur
Dist. Dhar - 454775,
Madhya Pradesh

Kashipur Unit
Khasra No. 672-728,
Village - Mahuakhera,
Aliganj Road, Kashipur,
Dist. Udhamsingh Nagar - 244713,
Uttrakhand

CHAIRMAN'S ADDRESS TO STAKEHOLDERS

Dear Stakeholders,

It gives me great pleasure to present to you the 27th Annual Report of your Company along with the financial and operating performance for FY 2019-20.

The year 2019-20 witnessed a challenging business environment. Against an initial projection of 3.5%, global GDP growth eased to 2.9%. The generally sluggish demand environment was impacted by rising trade-protectionism driven by tensions between China and the USA, coupled with other geopolitical tensions. The COVID-19 pandemic has further adversely impacted global economic activity from March 2020.

The Indian economic growth in GDP terms also decelerated in FY 2019-20 to 4.2%. In fact, in the fourth quarter of FY 2019-20, India's GDP growth declined to 3.1%, mainly due to the pandemic and related lockdown. Economic revival will be slow and with varied speeds of recovery across geographies and sectors. A key risk is the restoration of normalcy to global supply chains and spending confidence among consumers, while markets have pinned their hopes on government stimulus to revive demand.

Your Company's foremost priority since March 2020 has been the health and safety of its employees and the communities in which it operates. Keeping this in mind, the Company had resumed its activities (operating at ~60% capacity), on receiving the necessary permissions from the local authorities,with lessen staff and suspended its administrative activities at various offices until the necessity arose.The Company has put in place strict safety protocols within the plant as well as office premises as per requisite guidelines.

The COVID-19 related lockdown has adversely affected the Technical Textile industry, being it's a labour intensive industry, led to operate at ~60% capacity for Flexituff. On the other hand, international markets have shown increasing demand for Company's product line and the Company is well positioned to increase its exports in response.

The Company will maintain and is maintaining its focus on principle of "Theory of Constraints"for reducing costs and improving efficiency in a structured manner, whilst expanding its export portfolio. Also, the Company's Management will continue to work towards making the enterprise more efficient, profitable and creating value in future.

The overall operational performance of the Company during the year under review remained subdued due to lower production volumes. This was coupled with the slowdown in sales in the fourth quarter as well as non-availability of working capital and additionally fund source.

During the year under review, the Company's performance was satisfactory. Total revenue on a standalone basis for the FY 2019-20 stands at Rs. 8927.70 Millions. Notwithstanding, the financial challenges in the current scenario, the Company is making its best possible efforts to overcome the challenges with a positive note.

On this note,we are grateful to allour shareholders, partners, bankers, lenders, vendors, creditors and customers for their continued support for their faith and commitment. We aim to earn your continued trust every day. And finally, sincere thanks to the Company's employees, whose proficiency and professionalism makes us the best in the industry.

Stay Safe and Healthy!!

With Regards,

Anirudh Chittaranjan Sonpal
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

Global Economy

Global Economy -"Fragile, Handle with Care".

Trade policy uncertainty, geopolitical tensions, and de-globalisation in key emerging market economies continued to weigh on global economic activity—especially manufacturing and trade—in the second half of 2019. Intensifying social unrest in several countries posed new challenges, as did weather-related disasters—from hurricanes in the Caribbean, to drought and bushfires in Australia, floods in eastern Africa, drought in southern Africa and further adding fuel to fire, to the end of the financial year 2019-20, a great pandemic COVID -19 across the globe.

The COVID-19 pandemic has radically changed the prospectus of the global economy. This unprecedented crisis limiting physical mobility and social activity have effectively stopped economies around the world, and the global economy is being said to enter a recession in 2020. As per IMF the global economy is likely to contract by 3% in 2020, surpassing the worst seen during the global financial crisis in 2009. However, the magnitude of the downturn will depend on the length of the restrictions imposed in respective countries. Government around the world have announced record-breaking stimulus packages to aid economic recovery.

World trade is expected to fall by between 13% and 32% in 2020 as the COVID 19 pandemic disrupts normal economic activity and life around the world. Among emerging markets and developing economies, all countries face a health crisis, severe external demand shock and tightening in global financial condition which will have a severe impact on their economic activities. The course of recovery in India and China is expected to be smoother than any other advanced countries.

Commodities and inflation

The prices of most commodities fell in 2019, mainly reflecting the deterioration in the growth outlook—especially that of EMDEs, which tend to have a larger income elasticity of demand for commodities. Forecasts have been revised down for most commodities in 2020. Prices for most base metals weakened in the second half of 2019, primarily reflecting weaker global growth and trade tensions. Metals prices are expected to decline further in 2020, reflecting subdued industrial commodity demand. As with oil, a significant continued mitigation of U.S. - China trade tensions presents a key upside risk to metals price projections. Agricultural prices declined in the second half of 2019 on improved weather conditions that ensured elevated stock levels for grains. Agricultural prices are expected to stabilize in 2020, with risks to the forecast broadly balanced.

Along with the weakening of global economic activity, inflation the world over also remained muted in 2019. Inflation softened in advanced and emerging economies reflecting a slack in consumer demand. From the supply side, lower energy prices in 2019 also contributed to softening of inflation.

Financial conditions in emerging markets- Global financing conditions eased considerably in 2019. Bond yields in advanced economies fell to unprecedented lows, notwithstanding a pickup toward the end of the year amid improvement in market sentiment.

Global financing conditions have eased considerably, as major central banks have provided accommodation in response to softening economic prospects, heightened downside risks, and persistently low inflation. However, EMDEs with low credit ratings have not benefitted from the global decline in borrowing costs. Prior to their recent recovery, EMDE equity markets had been suffering significant outflows. A rising share of EMDE currencies are at their lowest level against the U.S. dollar in a decade.Despite weak global investment, corporate debt has been rising in many countries, with particularly rapid growth in some riskier categories, such as lending to highly leveraged firms in the United States and the Euro Area.

Indian Economy

The COVID-19 pandemic and consequent nationwide lockdown measure implemented since March, 2020 has worsened the prospectus across manufacturing, service and agriculture industries in India. Consumptions is also getting impacted due to job losses and decline in income levels of people particularly the daily wage earners. As per the provisional estimates released by the Central Statistics Organisation (CSO), the growth of India real GDP during F.Y 2020 is estimating at 4.2 as compared to 6.1% in F.Y2019. GDP at current prices in F.Y2020 is estimated to attain a level of 203.40 lakh crore, representing a growth rate of 7.2% YOY as compared to 11.0 % YOY in FY2019. The per capita Income at current prices during FY2020 is estimated to be 134 lakhs as compared to Rs 1.26 lakhs during the FY2019, showing a rise of 6.1% YOY.

The Inflation measured by the Consumer price Index (CPI), peaked at 7.6 % in January 2020 before being moderated to 5.9% by March, 2020. With softening of food prices, sharp fall in crude oil and expected normal monsoon, RBI expects inflation to remain firm in first half of FY 2021 and is expected to fall below the target of 4% in second half of FY 2021.

Despite, slowing GDP, India stills presents enormous potential due to consumptions needs arising out of 1.3 billion favourable demography that aspires for a prosperous life.

nominal GDP and 3rd largest in terms of Purchasing power parity (PPP), Indian economic is one of the fastest growing economies in the world. Nearly 60% of India's GDP is driven by Domestic private consumption, as compared to 40% in China. The rural population which constitutes around 65% of population has been the key force driving consumption. In respect to the unprecedented crisis, the Government of India has announced a financial stimulus of about Rs. 20 trillion and several relief measures, particularly for the vulnerable sections of the society. The package aims to promote self-reliance in India "Atma – Nirbhar Bharat Abhiyan" and it accounts for 10 % of the Indian GDP. It largely focused on land, labour, agriculture, supply chain, MSMEs, middle class and tax reforms to tackle the liquidity problem. The Reserve Bank of India (RBI) has undertaken a slew of measures to inject large liquidity into the system through open market transactions and reducing cash reserve ratios, reserve repo rate, providing six months moratoriums on loan etc.

INDUSTRY OVERVIEW

As per the estimates of India Brand Equity Foundation (IBEF), India's overall textile exports during FY 2017-18 stood at US$ 38.70 billion in FY19 and is expected to increase to US$ 82.00 billion by 2021 from US$ 39 billion in Fy 19.

Peculiarly, Technical textiles as a segment is directly proportional to the stage of industrialisation and economic growth of any country. Developing countries undergoing large scale industrialisation fuel the demand for technical textile products. The usage may range from infrastructure, agriculture, health, defence, automobiles, aerospace, sports, protective clothing, packaging, etc. With transformation of the Indian economy post liberalisation in the early 1990s, the demand and consumption of technical textiles products in India has been consistently increasing. The growth of technical textiles has also helped growth and innovation of conventional textile products, owing to significant value addition across the textile value chain. All major players in India have started developing technical textiles products as they provide better margins in comparison to conventional textiles.

Currently, share of technical textiles in Indian textile value chain is around 13 per cent. With the growth potential of various related sectors, technical textiles are poised to grow at 18 per cent CAGR during the period 2018-25. Technical textile industry in India is import dependent. Many products like speciality fibres/yarns, medical implants, protective textiles, webbings for seat belts, etc. are mostly imported. However, technical textiles sector has registered impressive growth in the recent years. As per the Baseline Survey of technical textile industry by Ministry of Textiles, Indian technical textile industry is estimated to grow at a CAGR of 20 per cent to USD 28.7 Bn (INR2,00,823 crore) by 2020-21 from USD16.6 Bn (INR 1,16,217 crore) in 2017-18. In order to capitalise on the growth potential, technical textiles ecosystem in India needs to grow significantly with focus on research and innovation in high growth sectors, such as Mobiltech, Buildtech, Indutech, Meditech, etc., to ensure sustainable growth, the sector needs to adopt global best practices and attract FDIs (100 per cent FDI is allowed under automatic route) and JVs with global technical textiles companies.

COMPANY OVERVIEW

Flexituff Ventures International Limited ("FVIL") is a multi-product, multi-market and multi-location enterprise. Having evolved from a leading global FIBC major to a foremost Indian Geosynthetics solution provider, Flexituff – through its niche products also serves the domain needs of retail, agro, pharma and infrastructure sectors. With three manufacturing plants across India, 2 direct subsidiaries, one based in India & another in Cyprus exports to over 60 countries, employing over 8000 global citizens. Flexituff is truly an Indian multi-national company that has come of age.

FVIL is a trusted name in the manufacturing of Flexible Intermediate Bulk Container (FIBC), geotextiles, reverse printed BOPP (Biaxially Oriented Polypropylene) woven bags and NPC drippers. Economies of scale, the edge of attitude, 100% integration under one roof, global foot-prints for more than 25 years of being in the industry are the key pointers for excellent reputation in domestic as well as international market.

BUSINESS OVERVIEW

Your Company faced huge financial distress in the financial year 2019-20. The major problem of the company started only with the default of the bonds and consequent thereupon withdrawal of working capital by the banks and further no resort from any other source of borrowing other than its earnings and demand for its world class products.

The FIBC business has proven its strength twice once during 2008-09 global meltdown where all the export businesses had suffered drastically however, our business had no adverse impact either on sale or margins. And another, when whole world is suffering under COVID-19 pandemic scenario where most of the businesses have suffered drastically yet we are standing pristinely.

Company endeavoured to evaluate various options & potential ways of improving the cash flow through injection of working capital, other long term funding, cost cutting etc. However, the shadow of COVID-19 pandemic will likely to impact its financial planning and health.

Putting limelight on the working of the Company in FY 2019-20, in such a rugged environment, the Company's performance was satisfactory.

SEGMENTAL REVIEW

FIBC BUSINESS

A flexible intermediate bulk container (FIBC), bulkbag, or big bag, is an industrial container made of flexible fabric that is designed for flowable products, such as sand, fertilizer and granules of plastic. They are mainly used for the purpose of protection, storage, handling and transportation of goods in a large quantity from the manufacturing facilities to distributions hubs.

FIBC are made from woven polypropylene or polypropylene fabric of different weights and strength. FIBCs are available in a wide variety and are suitable for numerous applications in the chemical, pharmaceutical and food industries. The FIBC market is characterized by innovative offerings and customizations according to customer specifications.

It comprises of strong, plastic-based, flexible fabric and can hold upto weights of 2 tons of material. They are manufactured with either one, two or four loops for efficient handling purposes. Also, there are several specialized product-types such as flame-retardant, pallet-free, baffle-bags, UV resistant & conductive.

We endeavor to emerge our products with innovative concepts and delivering the products within time period as per the customer specifications.

According to the various Global FIBC Market Research Reports, the flexible intermediate bulk container market is fragmented with several players. The market growth is expected to change if the market structure changes due to industry consolidation or if some vendors exit the market. Analysts estimate the market to grow at a CAGR of 6.48% till 2024. During the forecast period, the market will show an accelerating growth of $1576.82 million.

Heading forward, FIBC, being the major segment of the Company, contributes around 78% to Company's topline. It holds a market share of 15-20% of Indian exports of FIBC.

Opportunities and Outlook

Flexituff is among the few FIBC manufacturing companies across the world who are perpetually focusing on its products quality, durability, designing and satisfying end user requirement aptly. Nearly 65% of Company's FIBC product portfolio comprises of high-end bags for food, chemical and pharma industries and thus commands premium realisations in the export market. The Company is likely to benefit from the growth opportunities in the top three regions—America, Europe and Asia Pacific. Moreover, it's well-placed to address the growing demand in the domestic market.

Risks and concerns

Operating margin remains susceptible to fluctuations in the prices of key input i.e. polymer, which move in tandem with crude oil prices. Also, we are subjected to foreign currency exchange rate fluctuations which could have impact on results of operations. However, this is hedged by executing forward contracts, thereby mitigating forex rate fluctuation risk.

The FIBC industry is fragmented because of low entry barrier as capital and technology requirements are limited, gestation period is small and raw materials are easily available. This restricts substantial scale up in operations and exerts pricing pressure. Also, this industry being highly labour intensive the retention of workers has been high priority for the Company. Attrition of workers may affect the production and also involves cost and time in inducting and training of new appointees. Several other global as well as Indian economic and political factors that are beyond our control may affect the business of the Company.

GEOSYNTHETICS BUSINESS

Geosynthetics are synthetic products which are used to stabilize terrain, and are polymeric products used to solve civil engineering problems. It includes products including geogrids, geotextiles, geomembranes, geonets, geosynthetic clay liners, geocells, geocomposites and geofoam.

Geosynthetic products uses durable polymers such as high-density polyethylene (HDPE), polypropylene (PP) and polyester. They are produced from petrochemical based plastics that remain unaffected by bacteria or fungi and are non-biodegradable.

Geosynthetics help reinforce soil, distribute loads, prevent soil erosion and control water pressure. They are used in civil construction and environmental applications such as landfills and filtrations. Geosynthetics serve as cost-effective alternatives in civil and coastal engineering,construction industries and environmental applications. It has applications in road construction, railway stabilization, water management, waste management, mining and soil reinforcement and erosion control.

Geosynthetic materials perform many functions such as filtration, reinforcement, separation, drainage, protection and barrier. These products retain their properties when exposed to harsh environmental conditions. They showcase physical properties such as strength, stiffness and durability.

The applications of geosynthetics have increased because of their significant properties of easy accessibility, low thickness, less use of airspace, lightweight, and tremendous robustness. There is a broad range of geosynthetic materials in the global geosynthetics market due to the standards set by organizations such as Geosynthetic Institute, American Society for Testing and Materials and International Organization for Standardization.

The rise of land scarcity, growth in awareness about seismic hazards, and stringent environmental regulations are the key factors driving the growth of the global geosynthetics market worldwide.

Flexituff's geosynthetics business also making its presence and receiving appreciation in the market. With its vast product portfolio consist of woven and non-woven geo-textiles, sand-tubular geomattresses, GRW (Geosynthetics-gravity Reinforced Walls) chains, megabags and geotextile tubes and proven project execution abilities, the Company has earned reputation in the domestic as well as international markets in a short span of time. In FY 2019-20, geosynthetics business accounted nearly 9% of Company's revenues and its share is expected to go up in future.

Although FY 2019-20, the geosynthetics business saw a reduced topline basically on account of blockage of working capital challenge and low realisations. A management decision was taken to change the model of the business and to ensure that funds are not blocked. The working capital which was available with the company was deployed in the area which has the fastest turn around of money. All those areas where the turnaround was higher were discouraged.

Opportunities and Outlook

The global geotextiles market size is expected to reach USD 11.3 billion by 2027, according to this report registering a CAGR of 11.9% over the forecast period. Increasing adoption of geotextiles in road construction and infrastructure development activities is expected to drive the market growth over the forecast period.

Innovations by manufacturers are backed by government and regulatory bodies to improve product properties, which, in turn, would contribute to the market growth. Governments across various countries are actively participating in geotextile production as it creates ample employment opportunities and helps in the improvement of adverse environmental conditions. Geotextiles are used in soil to improve stability and to protect land surface to promote vegetation growth. The product also plays a significant role in soil erosion control and helps mitigate soil erosion. On-going research related to the use of geotextiles for soil erosion prevention in unpredictable climatic conditions is expected to aid in promoting their application in erosion prevention over the forecast period.

In emerging countries such as India and China, there is an absence of a standardized manufacturing process, resulting in lower quality products with differentiated standards. However, increasing focus on exports to international markets by local producers is expected to compel them to adopt advanced manufacturing techniques.

With the growing competition in the geosynthetics market, market players are developing innovative geomembranes to tap the potential markets. Geomembranes are being used as a replacement for cofferdams that are built for water closure in the construction of hydraulic projects. The market further has an opportunity in the usage of green roof and green wall in the construction industry to control soil erosion and for the better drainage system to remove the excess rain water from the roof top.

One of the major factors driving the growth of the market is the increasing demand from the infrastructure sector in Asia-Pacific, mainly in China, India, and ASEAN countries.

Indian Economy is poised for great development. Geosynthetics would be the key pillar in realizing the growth. Life extension benefits and durability featuring geosynthetics wooed Indian government to promote the segment by incentivizing their usage. The Indian government's current focus on upgrading infrastructure and increased importance of environmental issues will be the biggest growth drivers for Indian geosynthetics market.

Flexituff is also foreseeing from the benefits from the incremental spending on infrastructure across geographies. The Company is well-equipped to capitalise on this multi-year and multi-market opportunities by having established itself as a Research and Development (R&D) oriented Company emphasizing on creating awareness of the technology among end users.

Risks and Concerns

The volatile prices of raw material due to fluctuations in prices of crude oil and gas along with its availability, increased labor costs and potential labor shortages are hindering the growth of the geosynthetics market. Especially, demand for the naphtha due to its pricing has affected which is a key material as intermediate. The price-sensitive regions are restraining growth of the geosynthetics market.

By and large, the government demand drives the geosynthetics market. Budgetary constraints or change in the political parties at the helm may pose a risk to the growth of the sector.

Flexituff has been increasing its presence across geographies to deal with such risks effectively and has been developing unique products at competitive costs. As a contractor, it is enabling to demonstrate the benefits of geotextiles in various government/ non government projects, thereby creating awareness among contractors as well as governments.

REVERSE-PRINTED BOPP WOVEN BAGS BUSINESS

Biaxial Oriented Polypropylene (BOPP) is poly film that can be stretched in both directions, owing to which it offers premium durability. This poly film is laminated onto woven polypropylene fabric and converted into a bag. Environmental hazards related to PE (polyethylene)& high cost of jute bags have spurred the adoption of polypropylene woven bags and sacks as comparatively sustainable alternative. Rapid inroads flagged by retail industry in FMCG (fast-moving consumer goods) sector has resulted in increasing retail outlets that is likely to bode well for expansion of polypropylene woven bags and sacks market.

Polypropylene, also recognized as polypropene, is a thermoplastic polymer which is used in various industries that include packaging and labelling, reusable containers, textiles, stationery. The polymer which is made from monomer propylene is used for acids and chemical solvents.

Polypropylene Woven Bags & Sacks have become popular due to their inertness towards moisture, chemical & exceptional resistance towards rotting, fungus attack as they are nontoxic, perforation for breathability, UV protection and anti-skid printing, 100% recyclability, light weight and are more advantages than conventional bags. Polypropylene Woven Bags and sacks laminated with LDPE/PP liner have wider applications. Moreover, BOPP bags perform extremely well with paper bag filling equipment. The popularity of BOPP bags is rising in the market as they are cost effective and 100% recyclable, which makes them environment friendly. BOPP bags offer high aesthetic value that adds an extra promotional feature to the products packaged in them. These bags can be stacked easily and have high tensile strength and barrier properties. BOPP bags primarily find applications in the packaging of cereal & pulses, pet food, grass seed, animal nutrition, fertilisers, etc.

Flexituff is known worldwide for its stylish and highly durable multicolored BOPP Woven bags. These special PP bags and reverse printed BOPP bags are used in packaging of agro and industrial products, pet food, retail industry and chemicals etc. It has an installed production capacity of 100 million bags a year, from small orders to extra large ones & represents an advanced concept of bulk packaging from 5-50 kgs that adds value to a brand's personality. Reverse-printed BOPP woven bags contributed close to 9% of revenues in FY 2019-20.

Opportunities and outlook

Developing consumer market & growth of middle class is fuelling the domestic demand of reverse printed woven BOPP bags. Rapid inroads flagged by retail industry in FMCG (fast-moving consumer goods) sector has resulted in increasing retail outlets that is likely to bode well for expansion of polypropylene woven bags and sacks market. Flexituff is well-placed to exploit the market requirements and enhance its revenue contribution from this division.

Internationally, anti-dumping duty on Vietnam & Chinese origin of reverse printed woven BOPP bags is opening new doors for the Indian producers. Also, demand in USA is extremely big.

Risk and threats

Since this division of reverse-printed BOPP woven bags is also related with Polypropylene hence raw material price fluctuations is major risk and threatening factor impacting Company's performance as well as revenue margins. The Company endeavors to mitigate these risks by following a board-approved hedging policy wherever possible.

DRIP IRRIGATION/INJECTION MOULDING BUSINESS

The global drip irrigation market size is projected to reach USD 9.37 billion by the end of 2026. The increasing number of farming activities will bode well for the market in the coming years. Drip irrigation is an efficient technique used for dripping water into the soil surface and root of the plant by a filtering process. Drip irrigation is used across several agricultural practises for water distribution purposes. The ability of a drip irrigation system to minimize water wastage as well as maximize the amount of nutrient consumed by the crops, is a major factor why this concept has gained massive popularity in recent years. The massive investments in the R&D of new products will constitute an increase in the overall drip irrigation market size in the coming years. The presence of numerous agricultural subsidies will contribute to the growing adoption of drip irrigation systems across the world. Moreover, the emphasis on adoption of sustainable farming and agricultural practises will aid the growth of the market. The growing demand for a highly efficient agricultural produce will create a subsequent demand for drip irrigation systems across the world.

Micro-irrigation systems such as drip and sprinklers help save 20%-48% water and about 30% energy. Therefore, the government has been not only creating awareness among farmers to use micro-irrigation instead of conventional flood irrigation but has also been providing higher budgetary support to improve the penetration of micro-irrigation facilities in the Indian farms.

Global drip irrigation market is segmented on the basis of types by control & safety valves, drip emitters, filters & filtration, micro sprays & spinners, micro sprinklers & jets, PE tubing, pipe and pipe fittings, polyethylene hose & tubes, pressure control valve, pressure regulators and pumps & pump stations. Based on applications, global drip irrigation market is segmented as agriculture, public gardens and residential gardens and others that include greenhouses and nurseries.

Flexituff has the installed production capacity of over 1 billion Non Pressure Compensating (NPC) drippers per annum. With over 30% market share, it holds a leadership position in India's flat dripper market. It also exports the drippers to the drip irrigation pipe manufacturers outside India. In FY 2019-20, NPC drippers contributed close to 3% of the Company's revenue.

Opportunities and outlook

Environmental concerns and participation of government regulatory bodies in water management is a driving factor over the period. Drip irrigation is extensively used over conventional irrigation techniques as it saves water and fertilizers. This is a major driving factor for global drip irrigation market. Rising world population has led to rise in demand for water saving techniques and is driving the drip irrigation market. Decreased levels of underground and natural water resources have made agricultural firms to adopt drip irrigation systems.Hence, this business segment plights one's troth.

Risk and threats

Government spending remains the Key: Reaching to each field and its soil requires government's support and budgetary allocations.High initial cost of system installation along with the sophisticated level of management is expected to hinder the market growth particularly in developing countries.To mitigate such risks associated with the domestic markets, the export market needs to be catered. Flexituff is walking on same footing.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an Internal Risk Management Policy and adequate Internal Control System in place. The members of the Risk Management Committee presents the risk appetite of the Company by enumerating & segregating major risks that could affect the performance of the Company, readiness of the Company to deal with the risks & suggesting a mitigation plan for those risks. The main objective of the policy is to assess & evaluate significant risk exposures & assess management's actions to mitigate the exposures in a timely manner. The Company periodically reviews its various types of regulatory, financial, operational, environmental and other business risks.

Internal Control system is commensurate with the size, scale and complexity of its operations. There are adequate systems to ensure compliance of various statutory and regulatory requirements and review the same & take appropriate actions from time to time.

FINANCIAL OVERVIEW

Standalone

- In FY 2019-20, Company's total revenues stands at Rs.8927.70 Million as compared to Rs.12016.99 Million in FY 2018-19, thereby recording decline by 25.71%.
- The Company reported decline in EBIDTA (Earnings before Interest, Tax, Depreciation and Amortization) in FY 2019-20 which reached to Rs. (489.22) Million. In FY 2018-19, the Company had recorded the EBIDTA of Rs. 1578.21 Million.
- The Company's net worth mark a decrease to Rs. 2035.26 Million in Financial Year 2019-20.

Consolidation

- In FY 2019-20, Company's total revenues stands at Rs.9,014.57 Million as compared to Rs. 12,663.97 Million in FY 2018-19, thereby recording decline by 28.82%.
- The Company reported decline in EBIDTA (Earnings before Interest, Tax, Depreciation and Amortization) in FY 2019-20 which reached to Rs. (525.52) Million. In FY 2018-19, the Company had recorded the EBIDTA of Rs. 1,500.97 Million.
- The Company's net worth mark a decrease to Rs. 1,939.42 Million in Financial Year 2019-20.

Key Financial Ratios

In accordance with amendment made in SEBI (Listing and Disclosure Requirements) Regulation, 2015, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company (on standalone basis) are given below:

Ratios	2020	2019
Debtors Turnover	2.80	3.14
Inventory Turnover	7.03	7.15
Interest Coverage Ratio	-0.66	1.45
Current Ratio	0.58	1.03
Debt Equity Ratio	3.51	1.97
Operating Profit Margin	-16.43%	5.15%
Net Profit Margin	-18.47%	-1.32%
Return on Net Worth	-81.03%	-4.29%

Reasons for significant changes from 2018-19 to 2019-20

Your Company has been facing extreme shortage of working capital since beginning of 2018 due to exit of two working capital bankers from the consortium. These bankers were foreign banks and they decided to close their credit operations in India.

Further in January 2019, the Company defaulted in bond payment of International Finance Corporation ("IFC") and then in June 2019 of TPG Growth SF II Pte. Ltd. ("TPG").

Due to above, some more working capital banks reduced their exposure and consequently withdrew the working capital facility of Rs.200 million. Further one of the NBFCs recalled working capital support of Rs.700 million given to the Company.

All the above resulted in an acute shortage of funds with the company hence our Company was unable to purchase the requisite raw material and run the company on full capacity. Thus, the capacity utilization came down drastically resulting in losses, inventory erosion and consequently disturbing all the ratios.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review, the Company continued with its emphasis on Human Resource Development as one of the critical areas of its operations. Executives and officers of the Company having high potential in the field of Finance, Accounts, Marketing, International Business, Production, Quality Control and Quality Assurance were regularly met at all the plant locations as well as the regional offices with a view to update their knowledge and skills and keep them abreast of the present scenario for meeting the challenges ahead.

We have the highest degree of intellectual and technical milieu which is a perennial one at the company. The Company organizes periodical external and internal trainings to encourage and develop vital human resources. All the efforts are aimed to develop and nurture the entrepreneurial attitude and skills among the employees.

CAUTIONARY STATEMENT

The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be “forward looking statements” within the meaning of applicable Securities Laws & Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company' s operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government Regulations, Statutes, Tax Laws and other incidental factors.

Source of Data**:***Global Flexible Intermediate Bulk Container (FIBC) Market Report, Global Geosynthetics Market Report & Global Industrial Packaging Market Report by Technavio.com, Articles issued in Globenewswire, Apex market and various magazines and newspapers.*

DIRECTORS' REPORT

To,

The Members,

Flexituff Ventures International Limited

(Formerly Flexituff International Limited)

The Board of Directors hereby presents its 27th Directors' Report on business & operations of your Company ('the Company' or 'FVIL') along with Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

The Company's Financial Performance for the year ended 31st March, 2020 is summarized below:

(Rs. In Millions)

FINANCIAL RESULTS AND APPROPRIATION	Standalone		Consolidated	
Particular	2019-20	2018-19	2019-20	2018-19
Sales & other Incomes	8,927.70	12,016.99	9,014.57	12,663.97
Profit before Interest, Depreciation & Tax	(489.22)	1,578.21	525.52	1,500.97
Profit/(Loss) before Tax	(1,972.56)	(215.64)	(2,009.03)	(295.04)
Profit/(Loss) for the year / Balance available for Appropriation	(1,654.28)	(157.76)	(1,689.68)	(235.53)
Other Comprehensive (Loss)/Income	5.09	(0.48)	5.74	(1.97)
Total Other Comprehensive (Loss)/Income	(1,649.29)	(158.24)	(1,683.94)	(237.50)

STATE OF COMPANY'S AFFAIRS

During the year under review, the company has achieved consolidated total revenue and loss before interest, depreciation and taxof Rs. 9014.57 Million and Rs. 525.52 Million,respectively as against total revenue and profit before interest, depreciation and tax of Rs. 12,663.97 Million and Rs.1500.97Million, respectively during the previous financial year.

Further, the company has achieved standalone total revenue and loss before interest, depreciation and tax of Rs. 8927.70 Million and Rs. 489.22 Million, respectively as against total revenue and profitbefore interest, depreciation and tax of Rs. 12,016.99 Million and Rs. 1578.21 Million, respectively during the previous financial year.

COVID-19

Due to outbreak of zoonotic COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that the situation as well as its assessment is continuously evolving and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Company's management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and its full fledge efforts to fulfill its outstanding liabilities.

DIVIDEND

During the year under review, Company didn't generate enough revenue/surplus to declare dividend, hence your directors do not propose any dividend for the Financial Year ended 31st March, 2020.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2020 was Rs. 248.83Million divided into 2,48,82,806 shares of Rs. 10/- each.

FIXED DEPOSITS

The Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review forms part of the Annual Report.

AWARDS & CERTIFICATIONS

Company is certified for British Retail Consortium Certificate (BRC), ISO 9001:2015 (for Quality Management System), ISO 14001:2015 (for Environmental Management), ISO 22000:2005 (for Food and Safety Management) and OHSAS 18001:2007 (for Industrial Health and Safety).

The Company has received the Country's Highest Exporter Award for FIBC through PLEXCOUNCIL, Ministry of Commerce, for 13 years in a row.

The Company has also achieved recognition from all its foreign buyers for its delivery and services. In geo-textile sector, the Company has received appreciation for its unique products and new technologies being introduced to solve the problems of the country especially related to flood protection & water cleaning.

CREDIT RATING

The credit rating assigned by ICRA Limited as on 31st March, 2020 was “D"rating for the Long term loan and “D” for Short term Non-Fund Based Limits, which indicates “negative” outlook.

Your Board opined and states that due to defaults in repayments to certain Lenders, the credit rating of the Company got impacted. The Company is pursuing with its lenders to sign an Inter Creditor Agreement and trying to find new Lender to achieve one time settlement to correct the default which in turn will lead to restoration of fair credit rating.

SUBSIDIARIES/JOINT VENTURE/ASSOCIATES

The Company has 2 Direct Subsidiaries, 1 Indirect Subsidiary, 6 Joint Ventures and 5 LLPs as on 31st March, 2020.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries and Joint Ventures.

Direct Subsidiaries

Flexituff Technology International Limited *(Formerly known as Flexituff FIBC Limited)*

Flexiglobal Holdings Limited, Cyprus

Indirect Subsidiaries

Flexiglobal (UK) Limited, UK

Joint Venture/LLP

Flexituff Javed Ahmed LLP

Flexituff Hi-Tech LLP

Flexituff SA Enterprise LLP

Flexituff Sailendra Kalita LLP

Ujjivan LUIT LLP

Budheswar Das Flexituff International Limited JV

Sanyug Enterprises Flexituff International Limited JV

Vishnu Construction Flexituff International Limited JV

Mayur Kartick Barooah Flexituff International Limited JV

Flexituff Shailendra Kalita JV

Flexituff Pulin Borgohain JV

Pursuant to the provisions of Section 136 of the Companies Act, 2013 the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are put up on the website of the Company (www.flexituff.com) and shall be made available upon request of any member of the Company interested in obtaining the same and shall also be kept for inspection on all working days, during business hours, at the Registered Office of the Company and that of the Subsidiary Companies concerned.

Company has formulated a policy for determining material subsidiaries, which can be accessed at the below link:-

(http://flexituff.com/wp-content/uploads/2019/06/Policies-Programe-Material-Subsidiary.pdf)

Further, pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial data of the Company's Subsidiaries & Joint Ventures is mentioned in Form AOC-1 as **Annexure A** of the board's report. board's report.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 & SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

a.) in the preparation of annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b.) the Directors 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 loss of the Company for that period.

c.) the Directors 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.

d.) the Directors have prepared the annual accounts on a going concern basis.

e.) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f.) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

RELATED PARTY TRANSACTION

There have been no materially significant Related Party Transactions between the Company & the Directors, Management, Subsidiaries or relatives except for those disclosed in the Financial Statements.

Accordingly, particulars of Contracts or Arrangements with

Related Party Transactions referred to in Section 188(1) of the Act in Form AOC-2 does not form part of Directors' Report.

A Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at:

(http://flexituff.com/wp-content/uploads/2019/06/Policies-Programe-Related-Party-Transaction.pdf)

CORPORATE SOCIAL RESPONSILBILITY

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR policy can be accessed on the Company's website at:

(http://flexituff.com/wp-content/uploads/2020/07/Policies-Programmes-Corporate-Social-Responsibility.pdf)

The Annual Report on CSR activities is annexed herewith marked as **'Annexure D'** to this Report.

RISK MANAGEMENT

In today's volatile environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor & take precautionary measures in respect of the events that may pose risks for the business. The Board & Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis by keeping Risk Management Report before the Board & Audit Committee periodically.

The Risk Management Policy can be accessed on the Company's website at:

(http://flexituff.com/wp-content/uploads/2016/11/Policies-and-Programme_Risk-Management-Policy.pdf)

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

DIRECTORS / KEY MANAGERIAL PERSONNEL (KMPS)

The following changes occurred in the position of Directors/KMPs of the Company from 1st April, 2019 till the date of this report:

S.No.	Name of Director/KMPs	Date of Appointment/ (Cessation)	Event
1.	Mr. Ashish Jamidar (DIN: 08196328)	(01/10/2019)	Ceased to be Whole Time Director (KMP) due to his resignation from the Company
2.	Mr. Bhuwan Modi (DIN: 02855329)	(15/11/2019)	Ceased to be Director, due to his resignation from the Company
3.	Mr. Dharmendra Pawar (DIN: 08068916)	14/02/2020	Appointed as Additional Director, (Category: Independent)
4.	Mr. Ajay Mundra, Chief Financial Officer	16/05/2020	Ceased to be Chief Financial Officer (KMP) of the Company, due to his resignation from the Company

The Board placed on record its sincere appreciation for the invaluable contribution and guidance provided by Mr. Ashish Jamidar and Mr. Bhuwan Modi, Directors and Mr. Ajay Mundra, Chief Financial Officer, during their respective tenures and welcomes the incoming director on the Board of the Company.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

The following policies can be accessed at website of the Company:-

a.) Terms & Conditions for appointment of Independent Director (http://flexituff.com/wpcontent/uploads/2017/09/Policies-and-Programe-Terms-Conditions.pdf)

b) Nomination & Remuneration Policy (http://flexituff.com/wp-content/uploads/2019/04/Policies-Programe-Nomination-Remuneration-Policy.pdf)

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

In accordance with the provisions of the Act & Articles of Association of the Company, Ms. Alka Sagar (DIN: 07138477), Non-Executive Director retires by rotation at the ensuing Annual General Meeting and Mr. Dharmendra Pawar (DIN: 08068916) Additional Director (Category: Independent)of the Company, proposed to be regularized at the ensuing Annual General Meeting. The Board of Directors has recommended their respective re-appointments.

PERFORMANCE EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, its Committees, the Chairman of the Company and the Directors on the basis of the feedback received from all the Directors of the Company.

Structured performance evaluation questionnaire were circulated to the Directors for:

- Directors' - Self & Peer Level Evaluation;
- Board's Evaluation;
- Board Committees' Evaluation; and
- Chairman's Evaluation.

The evaluation questionnaires broadly cover parameters such as their participation in board meeting/other committee meeting, relationship management, knowledge & skill, adherence to the applicable code of conduct for independent directors and maintenance of confidentiality etc.

The summary of rating given by all the directors on the structured performance evaluation was placed before the Board of Directors.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **'Annexure E'** to this report.

AUDITORS AND THEIR REPORTS

STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Companies, Act, 2013 and the Rules made there under, M/s Kailash Chand Jain & Co, Chartered Accountants, Indore (FRN: 112318W) was appointed as the Statutory Joint Auditors of the Company at the 24th Annual General Meeting held on 22nd August, 2017 for a term of five years till the conclusion of 29th Annual General Meeting. However, M/s Kailash Chand Jain & Co, Chartered Accountants, Indore has tender their resignation as the Statutory Joint Auditors of the Company, expressing their inability due to constraint of manpower and frequent travelling for the Audit at the Company's Kashipur unit, w.e.f. 23rd August, 2019. Thereupon, members at their extra ordinary General Meeting held on 19th October, 2019 has approved the appointment of M/s. Mahesh C Solanki & Co., Chartered Accountants, Indore (FRN 006228C), as the Statutory Joint Auditors of the Company who will hold the office upto the conclusion of ensuing Annual General Meeting.Audit Committee and Board of the Company proposes to appoint them for a period of five years from the conclusion of the 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2025.

M/s. Mahesh C Solanki & Co., Chartered Accountants, Indore (FRN 006228C), have confirmed their eligibility under Section 141 of the Act and the Rules framed there under for the appointment as Auditors of the Company and as required under Regulation 33 of the Listing Regulations, 2015.

Further, M/s MSKA & Associates, Chartered Accountants, Mumbai (FRN 105047W) was appointed as the Statutory Joint Auditors of the Company at the 24th Annual General Meeting held on 22nd August, 2017 for a term of three years,for second term,and they shall retire at the conclusion of the ensuring 27th Annual General Meeting of the Company. The Board of Directors placed on record their appreciation for the retiring auditors.

Audit Committee and Board proposes to appoint M/s Sanjeev Omprakash Garg & Co., Chartered Accountants, Indore (FRN 008773C), as the statutory auditors of the Company to hold office from conclusion of Twenty Seventh (27th) Annual General Meeting till the conclusion of Twenty Eighth (28th) Annual General Meeting of the Company.

M/s Sanjeev Omprakash Garg & Co., Chartered Accountants, Indore (FRN 008773C) have confirmed their eligibility under Section 141 of the Act and the Rules framed there under for the appointment as Auditors of the Company and as required under Regulation 33 of the Listing Regulations, 2015.

The comments on the qualifications in the Auditors' Report on the financial statements of the Company for financial year 2019-20 are provided in the "Statement on Impact of Audit Qualifications" which is annexed as **Annexure B** and forms part of this report.

SECRETARIAL AUDITOR

M/s. Ritesh Gupta & Co., Company Secretaries were appointed to conduct the secretarial audit of the Company for the Financial Year 2019-20, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The Secretarial Audit Report for the Financial Year 2019-20 forms part of the Annual Report as **'Annexure C'** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, however, the reference to specific event / action which took place during the year are self-explanatory.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors were held during the year under review. The details of meetings held and attendance of the Directors are detailed in the Corporate Governance Report, which forms part of this report.

AUDIT COMMITTEE

The details pertaining to composition, meetings and attendance of audit committee are included in the Corporate Governance Report, which forms part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the Notes to the Financial Statements provided in this Annual Report.

VIGIL MECHANISM

The Company has a whistle blower policy/vigil mechanism to report genuine concerns or grievances. The Whistle Blower Policy/vigil mechanism has been posted on the website of the Company.

(http://flexituff.com/wp-content/uploads/2019/06/Policies-Programe-Vigil-Mechanism.pdf).

CODE OF CONDUCT

The Board has laid down a code of conduct for Board members & Senior Management Personnel as per Regulation 17 & 26 (3) of the Listing Regulations& has been posted on the website of the Company.

(http://flexituff.com/wp-content/uploads/2019/04/Policies-Programe-Code-of-Conduct.pdf).

All the Board members & Senior Management Personnel have affirmed compliance with the said code of conduct for the year ended 31st March, 2020.A declaration to this effect, signed by the Whole-Time Director forms part of this Annual Report.

INSIDER TRADING

The Board has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.The Insider trading Policy of the Company covering code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and Code of Conduct for the prevention of Insider Trading has been posted on the website of the Company.

- (http://flexituff.com/wp-content/uploads/2019/04/Policies-Programe-Code-of-Conduct-and-Procedures.pdf)
- (http://flexituff.com/wp-content/uploads/2019/04/Policies-Programe-Code-of-Practices-and-Procedures.pdf)

All the Board members & KMPs have affirmed compliance with the said code of conduct for the year ended 31st March, 2020.

PARTICULARS OF EMPLOYEES

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), is appended as '**Annexure – F**' to the Report. The information as per Rule 5(2) of the Rules forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

DETAILS OF AMOUNT/SHARES TRANSFERRED TO IEPF DURING THE YEAR

During the year under review, unpaid dividend amounting to Rs.24,806/- pertaining to the Financial Year 2011-12 has been transferred to IEPF along with the corresponding 119 equity shares.

Also, the details of amount and shares still lying in unpaid and unclaimed dividend account are as under:

Dividend for the year	Date of declaration of Dividend	Dividend Details (Amount in Rs. Lakhs)	Amount of unpaid dividend# (Amount in Rs.)	Due date to claim the dividend	Due date of transfer to Unpaid Dividend Account	Due date of accepting claim by the Company	Date for transfer to IEPF
2014-15	30-09-2015	248.83	888	30-10-2015	06-11-2015	05-11-2022	05-12-2022
2013-14	30-09-2014	248.82	15081	30-10-2014	06-11-2014	05-11-2021	05-12-2021
2012-13	30-09-2013	229.02	2264	30-10-2013	06-11-2013	05-11-2020	05-12-2020

#The amounts of unpaid dividend also include bank credits received pursuant to the cancellation of demand drafts beyond the validity period. The banks have cancelled the issued demand draft in accordance with the SEBI circular dated April 20, 2018 on "Strengthening the Guidelines and Raising Industry Standards for RTA, Issuer companies & Banker to an issue".

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

In compliance with Section 134 of Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014, a statement giving information regarding Energy Conservation, Technology Absorption and Foreign Exchange earnings and out go is given in '**Annexure G'** forming part of this Annual Report.

DEMATERIALISATION AND ELECTRONIC REGISTRAR

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017.As on 31st March 2020, 95.48% equity shares were in dematform and remaining 4.52% equity shares were in physical form.

Our registrar for electronic connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) is Link Intime India Private Limited, Mumbai.

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATION

Human Resource plays vital role in the Company. If finance is the blood of any organization then Human Resource is not less than pulse which keeps running production by their hard work day and night. Company focuses on creating best health and safety standards and also has performance management process to motivate people to give their best output and encourages innovation and meritocracy.

Personnel relation with all employees remained cordial and harmonious at all levels throughout the year. Directors wish to place on record their sincere appreciations for the continued, sincere and devoted services rendered by all the employees of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, the Company has Internal Complaints Committees (ICC) who inquire into complaints of sexual harassment and recommend appropriate action.

During the year under review, no compliant was received from any employee of the Company and hence no complaint was outstanding as on 31st March, 2020.

MATERIAL CHANGES AFFECTING THE COMPANY

KKR India Financial Services Limited ("KKR"), one of the Financial Creditor of the Company has made an application to the Hon'ble National Company Law Tribunal ("NCLT"), Indore bench at Ahmedabad ("Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016. The matter was heard by the adjudicating authority on 24th January, 2020 and it has been adjourned further to 6th March, 2020 and 26th March, 2020, which later was adjourned due to country-wide lockdown due to COVID -19.

As on even date of this report, the said term loan has been purchased by Assets Care & Reconstruction Enterprise Ltd, acting in its capacity as trustee of ACRE-105- Trust ("ACRE"). ACRE thus has replaced KKR as a lender for your Company. A restructuring agreement with ACRE is in under process, pursuant to which the NCLT proceedings will get withdrawn.

After closing this transaction, your Company will now pursue with its other lenders too for settlement.

Your Company, therefore keeping in view of such transaction, has not charged interest in its books of accounts.

The aforesaid disclosure also forms part of explanation to the observations given by the Statutory & Secretarial Auditors in their respective reports.

GENERAL DISCLOSURES

The Board state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of Sweat Equity Shares to employees of the Company under any scheme.
- Details pertaining to Employee Stock Options (ESOPs) as no ESOPs were outstanding as on 31st March, 2020.
- Issue of differential shares with voting rights as to dividend, voting or otherwise.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

APPRECIATION

The Board takes this opportunity to express its sincere appreciation for the excellent support and cooperation received from company's bankers, investors, customers, suppliers, statutory authorities for their consistent support to the Company.

The Directors also sincerely acknowledge the outstanding support and services of the workers, staff and executives of the Company, which have together contributed to the efficient operations and management of the Company.

For and on behalf of the Board of Directors of
Flexituff Ventures International Limited

Anand Khandelwal	**Saurabh Kalani**
Whole-Time Director	Whole-Time Director
(DIN: 07889346)	(DIN: 00699380)

Date: 31.08.2020
Place: Pithampur

Annexure to the Board's Report

AOC-1

Annexure A - Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries **(Amount in Millions)**

S. NO	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for tax	Profit/ (Loss) after taxation	Proposed Dividend	% of shareholding
Direct Subsidiaries														
1	Flexiglobal Holdings Limited	N.A.	GBP-INR/ 1 GBP = 93.076	12.52	7.48	20.95	30.37	9.31	0.04	(1.59)	0.03	(1.61)	-	100 %
2	Flexituff Technology International Limited (formerly known as Flexituff FIBC Limited)	N.A.	INR	0.10	(0.19)	0.25	0.35	-	-	(0.03)	-	(0.03)	-	100 %
Indirect Subsidiaries														
3	Flexiglobal (UK) Limited, UK	N.A.	GBP-INR/ 1 GBP = 93.076	9.31	7.48	22.10	6.79	-	0.01	(2.53)	(0.19)	(2.34)	-	100 %

Part "B": Associates and Joint Ventures

(Amount in Rs.Millions)

S. No.	Name of Company	Latest Audited Balance Sheet Date	Shares of Associate/ joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the Associate/ Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year	Considered in Consolidation	Not considered in Consolidation
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding%						
1	Flexituff Javed Ahmed LLP	March 31, 2020	N.A.	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	(70.65)	(31.79)	(31.79)	NIL
2	Flexituff HI-Tech LLP		N.A.	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	(4.87)	(3.47)	(3.47)	NIL
3	Flexituff SA Enterprise LLP		N.A	0.075	75%	Flexituff holds 75% of capital & interest in Profit/Loss of the J V	N.A.	0.76	17.61	17.61	NIL
4	Flexituff Sailendra Kalita LLP		NA	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	(3.86)	(0.92)	(0.92)	NIL
5	Ujjivan Luit LLP		NA	0.05	51%	Flexituff holds 51% of capital & interest in Profit/Loss of the J V	N.A.	(2.07)	(0.71)	(0.71)	NIL
6	Budheshwar Das Flexituff International Limited JV	March 31, 2020	NA		45%	Flexituff holds 55% of capital & interest in Profit/Loss of the J V	N.A.	1.98	(1.95)	(1.95)	NIL
7	Mayur Kartick Barooah Flexituff International Limited JV		NA		50%	Flexituff holds 50% of capital & interest in Profit/Loss of the J V	N.A.	(0.76)	0.36	0.36	NIL
8	Sanyug Enterprise Flexituff International Limited JV		NA		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	0.27	(0.15)	(0.15)	NIL
9	Vishnu Construction Flexituff International Limited		NA		75%	Flexituff holds 75% of capital & interest in Profit/Loss of the J V	N.A.	(0.65)	(0.31)	(0.31)	NIL
10	Flexituff Sailendra Kalita JV		NA		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	(11.19)	(11.22)	(11.22)	NIL
11	Flexituff Pulin Borgohain JV		NA		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	2.36	0.22	0.22	NIL

For and On Behalf of the Board of Directors of
Flexituff Ventures International Limited

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

Place: Pithampur
Date: 31.08.2020

Annexures to the Board's Report

ANNEXURE - B

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

(Standalone)

(Rs. in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl.	Particulars	Adjusted Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	87,276.28	87,276.28
	2.	Total Expenditure	109,002.76	1,11,735.83
	3.	Net Profit/(Loss) after tax	(16542.82)	(22,073.58)
	4.	Earnings/(Loss) Per Share	(66.49)	(88.71)
	5.	Total Assets	1,16,126.23	1,13,328.54
	6.	Total Liabilities	95,773.46	98,506.53
	7.	Net Worth	20,352.77	14,822.01
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer Material Uncertainty with respect to Going Concern and Emphasis of Matter Paragraph in the Auditors Report.	
II.	**Audit Qualification (each audit qualification separately)**			
	a.	**Audit Qualifications**		

i. The Company has recognized MAT credit as deferred tax asset aggregating to Rs. 2,797.69 lakhs as at March 31, 2020 which is available for offset between five to fifteen years. Due to the financial difficulties experienced by the Company as stated in Note 3 to the Statement and significant uncertainty stated in Note 5 to the Statement, we are unable to comment on the recoverability of MAT credit recognized as deferred tax asset and consequential impact, if any, on the Statement.

ii. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 45,029.02 lakhs as on March 31, 2020 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Company is undergoing financial difficulties as stated in Note 3 to the Statement and there is significant uncertainty as cited in Note 4 to the Statement in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU.

		iii. The Company has not provided for interest charge (including penal interest) amounting to Rs. 857.71 lakhs for the quarter ended March 31, 2020 on loans outstanding to certain lenders. Further, during the quarter ended March 31, 2020 the Company has reversed the interest charge (including penal interest) accounted in the books amounting to Rs. 1,875.36 lakhs for the period April 1, 2019 to December 31, 2019 pertaining to those lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss during the current year is understated by Rs. 2,733.07 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. (Refer Note 8 to the Statement).
	b.	**Type of Audit Qualification : Qualified Opinion**
	c.	**Frequency of qualification:** The qualification mentioned above in II(a) (i) and (ii) is repetitive and continuing since Limited Review for the quarter and nine months ended December 31, 2019. The qualification mentioned above in II (a) iii is appearing for the first time.
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Management views for qualification mentioned in II (a) (i) above: The Company is carrying MAT credit as a deferred tax asset aggregating to Rs. 2,797.69 lakhs which is available for offset between five to fifteen years. Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the MAT credit within the time limit prescribed under the Income Tax Act, 1961. Management believes that they are very close to having a complete solution for the Company's debt overhang. The management is negotiating with various investors and all its lenders for one-time settlement of the term loans. This settlement will happen at a steep discount to the original value. On account of the steep discount, enough profit would be generated which will set off the entire brought forward losses. Once the solution happens, the Company has the ability to generate profit in excess of Rs.50 crore per year which will enable the Company to utilize MAT credit in the period available to the company easily.Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax recognised towards MAT credit. Management views for qualification mentioned in II (a) (iii) above: The Company is in the process of approaching KKR India Financial Services Limited, TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for restructuring its loan and envisages that the lenders shall forgo the interest charge (including penal interest) accrued on its loans for the period April 1, 2019 to March 31, 2020. Accordingly, the Company does not expect any outflow of interest (including penal interest) attributable for the period April 1, 2019 to March 31, 2020 on loans from the said lenders; hence, the Company has not provided for interest (including penal interest) amounting to Rs. 857.71 lakhs attributable for quarter ended March 31, 2020 on loans outstanding to said lenders. Further, during the quarter ended March 31, 2020 the Company has reversed the interest charge (including penal interest) amounting to Rs. 1,875.36 lakhs (corresponding TDS reversal being Rs. 216.62 lakhs) attributable for period April 1, 2019 to December 31, 2019 accounted in books pertaining to said lenders.
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:** Management views for qualification mentioned in II (a) (ii) above is explained below

	(i)	Management's estimation on the impact of audit qualification:
		According to Management's estimates and assumptions on the projections for Kashipur CGU; the present value of the future cash flows expected to be derived from Kashipur CGU is higher than its carrying value as on March 31, 2020. Thus, in the view of Management, there is no requirement for accounting any impairment loss.
	(ii)	If management is unable to estimate the impact, reasons for the same: Not Applicable.
	(iii)	Auditors' Comments on (i) or (ii) above: ii. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 45,029.02 lakhs as on March 31, 2020 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. However,the Company is undergoing financial difficulties and there is significant uncertainty in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made with regard to the CGU.
III.		**Signatories:** Whole Time Director Saurabh Kalani Place :Pithampur Date : July 10, 2020 Chairman of Audit Committee Anirudh Sonpal Place : Vadodara Date : July 10, 2020 For MSKA & Associates Chartered Accountants ICAI Firm Registration No.105047W Amrish Vaidya Partner Membership No.: 101739 UDIN:20101739AAAADR5249 Place : Mumbai Date : July 10 , 2020 For Mahesh C. Solanki & Co. Chartered Accountants ICAI Firm Registration No. 006228C Nitin Tiwari Partner Membership No.: 415087 UDIN:20415087AAAACD5610 Place : Indore Date : July 10 , 2020

Annexure-C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[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]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,

The Members,

Flexituff Ventures International Limited

(Formerly Flexituff International Limited)

C41-50, Sec No III SEZ

Industrial Area Pithampur

Dhar(MP)-454775

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Flexituff Ventures International Limited (Formerly Flexituff International Limited) having CIN:L25202MP1993PLC034616 (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 in my opinion, the company has, during the audit period covering the financial year ended **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 the company on test basis for the financial year ended on **31stMarch, 2020** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
5. The Provisions of the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) 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;
6. The Company has identified and confirmed the following law as being applicable specifically to the company:
   - Factories Act,1948
   - Environment Protection Act,1986
   - The Water (Prevention and Control of Pollution) Act,1974;
   - The Air (Prevention and Control of Pollution) Act,1981;
   - Special Economic Act,2005;
   - Explosive Act, 1884.

   I have relied on the representation made by the company, its officers and on the report by designated professionals and authorities for the system and processes formed by the company to monitor and ensure compliances under other applicable acts, regulation and laws to the company.

   I have also examined compliance with the applicable clauses of the following-
   - Secretarial Standard-1 pertaining to Board Meeting and Secretarial Standard-2 pertaining to General Meeting issued by Institute of Company Secretaries of India were applicable during the year.
   - Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

I report that the equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the Financial Year under report-

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc. which are applicable on 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. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, were captured and recorded as part of the minutes.

Based on the information, representation, clarifications and reports provided by the Company, its Board of Directors, its designated officers, and authorized representatives during the conduct of audit,I further report that, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations, guidelines and happening of events etc. to the Company.

I further report that, based on the information provided, explanations given and representations made by the management and its officers and relied upon by me, and on the basis of observation made by us the following events/actions having a major bearing on the affairs of the Company:-

1) The Statutory Auditors has provided their qualified opinion over IND AS-1 on Presentation of Financial Statements, IND AS-36 on Impairment of Assets and recoverability of MAT credit.

2) The KKR India Financial Services Limited has filed an application before the Hon'ble National Company Law Tribunal, Indore bench at Ahmedabad ("Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016 against the Company.

3) The Company has defaulted in repayment of the principal and interest component of loan installments to the banks and financial institutions.

4) The Company has defaulted in repayment of the principal and interest component for FCCBs issued to TPG Growth II SF Pte. Ltd. and International Finance Corporation (IFC).

5) The Company has devolved Letter of Credit issued by banks. Such devolvement has resulted in over utilization of cash credit facilities (including interest) based on drawing power sanctioned by banks.

6) During the financial year, one of the joint statutory auditor of the Company M/s.Kailash Chand Jain & Company, Chartered Accountants, Indore (FRN NO. 112318W) has resigned w.e.f 23rd August, 2019.

For Ritesh Gupta & Co.
Company Secretaries

Ritesh Gupta
CP:3764, FCS:5200

Date: 10.07.2020
Place:Indore

UDIN: F005200B000434706

Note: This report to be read with my letter of even date which is annexed as **'Annexure-A'** and forms part of this report.

'Annexure-A' to the Secretarial Audit Report

To,
The Members,
Flexituff Ventures International Limited (Formerly Flexituff International Limited)
My 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 practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. 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.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.
4. The compliances of subsidiaries companies not been reviewed in this audit since the same have been subject to review by other designated professionals and not a part of my audit assignment.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
7. Due to COVID 2019 pandemic in the country, physical visit and physical verification of any records has not been done. I have relied on the records as made available by the Company through digital mode.
8. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For Ritesh Gupta & Co.
Company Secretaries

Date: 10.07.2020 **Ritesh Gupta**
Place: Indore CP:3764, FCS:5200

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTOR

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations)

To,
The Members
Flexituff Ventures International Limited

I have examined the relevant registers, records, forms, returns and disclosures of the Flexituff Ventures International Limited (CIN: L25202MP1993PLC034616) having registered office at C41-50, Sec No III SEZ Industrial Area Pithampur Dhar (MP)-454775 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V.

Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

S. No.	Name of Director	DIN
1.	Saurabh Kalani	00699380
2.	Anand Khandelwal	07889346
3.	Anirudh Chittaranjan Sonpal	03367049
4.	Alka Sagar	07138477
5.	Dharmendra Pawar	08068916

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

For Ritesh Gupta & Co.
Company Secretaries

Date: 10.07.2020 **Ritesh Gupta**
Place: Indore CP:3764, FCS:5200

Annexures to the Board's Report

ANNEXURE - D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. **A Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes;**

   CSR has been a way of life at Flexituff Ventures International Limited ("FVIL" or "the Company") ingresses into its philosophy and vision.

   The 'headline' objective of FVIL's CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Company's business strategy for overall value creation for all stakeholders. FVIL believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities pan-India befitting its status as a conscientious corporate citizen.

   CSR Policy is stated herein below:

   http://flexituff.com/wpcontent/uploads/2020/07/Polices-Programmes-Corporate-Social-Responsibility.pdf

2. **Composition of CSR Committee as on 31st March, 2020:**

S. No	Name	Chairman/Member	Status
1.	Mr. Saurabh Kalani	Chairman	Whole-Time Director
2.	Ms. Alka Sagar	Member	Woman Non Executive Director
3.	Mr. Dharmendra Pawar	Member	Independent Director

3. **Average net profit for last 3 financial years:**

   Average net profit: Rs. (377.90) Lakhs

4. **Prescribed CSR expenditure (2% of the of average net profit as given in point no. 3)**

   The Company is required to spend - Nil

5. **Details of CSR Spent for the financial year :**

   A. Total amount to be spent for the financial year: Nil

   B. Amount unspent if any: NA

   C. Amount spent during the year, if any:

   Rs. 32,077/-

   D. Manner in which the amount is spent during the year:

(Amount in Rs.)

S. No	CSR Project / Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Projects or programs wise	Amount spent on the projects or programmes	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1.	Providing guidance to people stuck in the loop of tobacco addiction	cl.(i) Promoting health care.	Pithampur, Dist. Dhar	-	32,077	32,077	Tobaccgo
	TOTAL			**-**	**32,077**	**32,077**	

6. ***In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.***

   Not Applicable.

7. ***A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:***

   We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the company.

For and On Behalf of the Board of Directors

Flexituff Ventures International Limited

Saurabh Kalani

Chairman, CSR Committee

Date: 31.08.2020

Place: Pithampur

Annexures to the Board's Report

ANNEXURE-E

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31st March, 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:

1.	CIN	L25202MP1993PLC034616
2.	Registration Date	08/04/1993
3.	Name of the Company	Flexituff Ventures International Limited (formerly known as Flexituff International Limited)
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non Government Company
5.	Address of the Registered office & contact details	C 41-50, SEZ, Sector-3, Pithampur, Dist. Dhar, (M.P.) - 454775. Tel: 07292-420200, Fax: 07292-401684
6.	Whether listed company	Yes (BSE Limited & National Stock Exchange of India Limited)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W) Mumbai-400083 Tel: 022 4918 6000

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing & Textiles	22203	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name & Address of the Cmpany	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Flexiglobal Holdings Limited 2 Sophouli Street Chanteclair Building, 8th Floor, Flat/office 801 1096, Nicosia Cyprus	HE238405	Direct Subsidiary	100%	2(87)
2	Flexituff Technology International Limited (Formerly Flexituff FIBC Limited) 2nd Floor, 212 Okhla Industrial Estate Phase – III, New Delhi.	U25209DL2017PLC322493	Direct Subsidiary	100%	2(87)
3.	Flexiglobal (UK) Limited, UK 203, Askern Road, Bentley, Doncaster, Dn5 0JR	06663662	Indirect Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8181603	-	8181603	32.88	8181603	-	8181603	32.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other									
Sub-total (A)(1):-	8181603	-	8181603	32.88	8181603	-	8181603	32.88	-
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A1) + (A2)	**8181603**	**0**	**8181603**	**32.88**	**8181603**	**-**	**8181603**	**32.88**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1993388	0	1993388	8.01	1993388	0	1993388	8.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	231110	0	231110	0.93	231110	0	231110	0.93	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**2224498**	**0**	**2224498**	**8.94**	**2224498**	**0**	**2224498**	**8.94**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7776925	0	7776925	31.25	6926970	0	6925970	27.83	(3.41)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	893458	3	893461	3.59	1132735	3	1132738	4.55	0.96

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs1lakh	669118	991607	1660725	6.67	1272663	1125795	2398458	9.63	2.96
c) Others (specify)									
(i)Director/Relatives	-	-	-	-	-	-	-	-	-
(ii) Clearing Member	25205	0	25205	0.10	8439	0	8439	0.03	(0.06)
(iii) Market Makers, Office Bearers	-	-	-	-	-	-	-	-	-
(iv) Foreign Nationals-NRI, Foreign Companies	3918486	134188	4052674	16.27	3927224	0	3927224	15.77	(0.56)
(v) HUF	57715	0	57715	0.23	83757	0	83757	0.33	0.10
(vi) NBFC	10000	0	10000	0.04	0	0	0	0	(0.04)
Sub-total (B)(2):-	**13350907**	**1125798**	**14476705**	**58.17**	**13350788**	**1125798**	**14476586**	**58.17**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**15575405**	**1125798**	**16701203**	**67.11**	**15575405**	**1125798**	**16701203**	**67.12**	**00.00**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**23757008**	**1125798**	**24882806**	**100.00**	**23757008**	**1125798**	**24882806**	**100.00**	**00.00**

B) Shareholding of Promoter-

S.no.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% change in shareholding 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	Kalani Industries Private Limited	3621730	14.56	14.56	3621730	14.56	14.56	0.00
2	Miscellani Global Private Limited	1359163	5.46	5.46	1359163	5.46	5.46	0.00
3	High Skey Properties Private Limited	1044775	4.20	4.20	1044775	4.20	4.20	0.00
4	Sanovi Trading Private Limited	1009370	4.06	4.06	1009370	4.06	4.06	0.00
5	Anshuman Properties Private Limited	1146565	4.61	4.61	1146565	4.61	4.61	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year (31/03/2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company No Change
No Change				

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date Wise Increase/decrease in shareholding due to buy & sell				Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	No. of Shares	% increase/ decrease	Reason	No. of shares	% of total shares of the company
1	International Finance Corporation	1902173	7.64	-	-	-	-	1902173	7.64
2	Saurabh Properties Private Limited	1637905	6.58	-	-	-	-	1637905	6.58
3	TPG Growth II SF PTE Limited	1227273	4.93	-	-	-	-	1227273	4.93
4	Life Insurance Corporation Of India	1193388	4.79	-	-	-	-	1193388	4.79
5	Gautam Geol	991607	3.98	-	-	-	-	1125795	4.52
				12/04/2019	991607		Transfer	991607	3.98
				07/06/2019	134188		Transfer	1125795	4.52
6	Sunrise Properties Private Limited	958630	3.85	-	-	-	-	743630	2.98
				01/11/2019	(41907)		Transfer	916723	3.68
				08/11/2019	(74718)		Transfer	842005	3.38
				15/11/2019	(53925)		Transfer	788080	3.16
				22/11/2019	(44450)		Transfer	743630	2.98
7	Seven Star Properties Private Limited	952470	3.83	-	-	-	-	952470	3.83
8	Fantasy Real Estates Private Limited	915800	3.68	-	-	-	-	915800	3.68
9	Clearwater Capital Partners (Cyprus) Limited	774280	3.11	-	-	-	-	774280	3.11
10	General Insurance Corporation of India	800000	3.21	-	-	-	-	800000	3.21
11	Vinay Birla	991607	3.98	12/04/2019	(991607)		Transfer	0	0

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors and Key Managerial Personnel holds Shares in the Company.			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Millions)

Indebtness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4143.39	3151.80	-	7295.19
ii) Interest due but not paid	-		-	--
iii) Interest accrued but not due	3.92	102.54	-	106.46
Total (i+ii+iii)	**4147.31**	**3254.34**	**-**	**7401.65**
Change in Indebtedness during the financial year				
* Addition	1302.54	195.76	-	1498.30
* Reduction	824.92	799.33	-	1624.25
Net Change	477.62	-603.57	-	-125.95
Indebtedness at the end of the financial year				
i) Principal Amount	4621.01	2548.23	-	7169.24
ii) Interest due but not paid	-		-	--
iii) Interest accrued but not due	12.33	2.04	-	14.37
Total (i+ii+iii)	**4633.34**	**2550.27**	**-**	**7183.61**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Millions)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Saurabh Kalani, Whole-time Director	Mr. Anand Khandelwal, Whole-time Director	Mr. Ashish Jamidar, Whole-time Director*	
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	**2.85**	**1.01**	**2.15**	**6.01**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission others, specify as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**2.85**	**1.01**	**2.15**	**6.01**
	Ceiling as per Schedule V of Companies Act, 2013	25.04	25.04	12.52	62.60

Note:

*Mr. Ashish Jamidar has resigned w.e.f. 01/10/2019.

B. Remuneration to other directors

(Amount in Rs. Millions)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**Mr. Anirudh Sonpal**	**Mr. Bhuwan Modi***	**Mr. Dharmendra Pawar***	
	Fee for attending board committee meetings	0.05	0.04	0.01	0.10
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**-**	**-**	**-**	**0.10**
2	Other Non-Executive Directors	**Ms. Alka Sagar**			
	Fee for attending board committee meetings	0.05			0.05
	Commission	-			-
	Others- reimbursements	0.16			0.16
	Total (2)				**0.21**
	Total (B)=(1+2)				**0.32**

*Mr. Dharmendra Pawar has been appointed w.e.f. 14/02/2020

*Mr. Bhuwan Modi has been resigned w.e.f. 15/11/2019.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs. Millions)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ajay Mundra, Chief Financial Officer	**Ms. Khushboo Kothari, Company Secretary**	**Total**
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.67	0.89	4.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others - (Incentives)	-	-	-
	Total	**3.67**	**0.89**	**4.56**

VII. 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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and On Behalf of the Board of Directors of
Flexituff Ventures International Limited

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

Place: Pithampur
Date: 31.08.2020

ANNEXURE - F

PART A:-Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

S.no.	Name of Director	Designation	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Saurabh Kalani	Whole Time Director	22.58x
2.	Mr. Anand Khandelwal	Whole Time Director	8.04x
3.	Mr. Ashish Jamidar	Whole Time Director	NA

a. Since Independent & Non-Executive Directors received no remuneration, except sitting fees for attending Board / Committee meetings, the required details are not applicable.

b. The median remuneration of all the employees of the Company was Rs. 0.13 Million.

ii. The percentage increase in remuneration of each director[#], Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.no.	Name of Employee	Designation	Increase in Remuneration
1.	Mr. Saurabh Kalani	Whole Time Director	4.28%
2.	Mr. Anand Khandelwal	Whole Time Director	-
3.	Mr. Ashish Jamidar	Whole Time Director	NA
4.	Mr. Ajay Mundra	Chief Financial Officer	3.50%
5.	Ms. Khushboo Kothari	Company Secretary	28.82%

[#]Since Independent & Non-Executive Directors received no remuneration, except sitting fees for attending Board / Committee meetings, the required details are not applicable.

iii. **The % increase in the median remuneration of employees in the financial year :** 7.8%

iv. **The number of permanent employees on the rolls of the Company:** 7912

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**.

Average increase in remuneration is 6% approx. for Employees other than Managerial Personnel and there were no significant increase in remuneration Managerial Personnel.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other Employees.

PART B :- Statement of Disclosure pursuant to Section 197 of the Companies Act, 201

[Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

S.No.	Name	Designation	Remuneration (Amount in million)	Nature of employment	Qualification	Date of commencement of employment	Age	Last employment	Shareholding in the Company
1.	Mahesh Sharma	Curator Emerging opportunist	24.81	Contractual	MBA	01.01.2002	58	Jash Engineering Limited	NIL

Notes: Aforesaid employee is not related to any Director of the Company.

For and On Behalf of the Board of Directors of
Flexituff Ventures International Limited

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

Place: Pithampur
Date: 31.08.2020

Annexure to the Board's Report

ANNEXURE - G

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A. CONSERVATION OF ENERGY

POWER CONSUMPTION-

(Amount in Million)

Electricity	FY 2019-20	FY 2018-19
Unit Purchased (in KW)	55724.60	61806.70
Total Amount (Rs. in Millions)	334.67	339.88
Rate per Unit (in Rs.)	6.01	5.50

During the year under review, the Plant & Machineries were handled effectively to improve the productivity. Your Company has continued to endeavor with the latest technologies and procure highly advanced machines for its products in order to meet the requirements of globally competitive market.

Your Company continuously updates and upgrades the technologies which are used in manufacturing of products to ensure maximum savage of energy without affecting productivity and quality.

Some of the highlights are mentioned as below:-

1. Fluorescent tube lights & Compact fluorescent lamps have been replaced with Light-Emitting Diode (LED) Lamps all over the premises and plants.
2. ECO Friendly and efficient chilling plants has been installed, which uses utilizing refrigerant R134 which is non-toxic, non-flammable and non-corrosive.
3. Survey of production area has been made of regular interval for exploring new area of power saving. All users are encouraging to ensure that their computers, lights, fans, ACs, etc are switched off after work completion.
4. IT department of the Company has replaced all the old monitors with flat LED screens which consume less energy.
5. Adoption of new technology for form fit sealing and cutting machine, which provides 3 times higher rate of production due to impulse heating system and programmable memory for setting of each type of liner production leads to power cost per kg.

B. TECHNOLOGY ABSORPTION

The Company continues to import technically upgrade machines for its products and performance. New technology so adopted has enabled us to produce and market our products in various new markets.

Some of the highlights are mentioned as below:-

1. Sealing and cutting of liner technology and machine has been installed which has 3 times higher rate of production due to impulse heating system and programmable memory for setting of each type of liner production, leads to enhance the productivity and quality improvement.
2. Company has designed to follow and train people to implement
   - POKA YOKE (inadvertent error prevention i.e. Do not make defects),
   - First time right (Zero quality control i.e. Do not pass on defects)
   - LEAN Systems (maximize customer value i.e. Do not accept defects).
   - Do work as per work instruction(Quality management system)
3. Company has also focused to have certification for ISO45001-2018, which is advanced version of OHSAS 18001:2007 which was necessary to fight against COVID-19.

(Amount in Million)

Particulars	FY 2019-20	FY 2018-19
Earning in Foreign Exchange	4608.27	6810.20
Expenditure in Foreign Currency	115.04	482.67

For and On Behalf of the Board of Directors of

Flexituff Ventures International Limited

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

Place: Pithampur
Date: 31.08.2020

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance pursuant to Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred as "Listing Regulations"}.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Flexituff Ventures International Limited ("Flexituff" or the "Company") is committed to maintain the standards of Corporate Governance and abide by the obligations as set out by the Securities & Exchange Board of India (SEBI) and the Company's Code of Conduct.

The Company places great emphasis on rights of the stakeholders, timely dissemination of information to stock exchanges and investors, abiding by the provisions of the applicable laws and such other guidelines as may be issued from time to time, empowerment and integrity of its employees, safety of the employees, transparency in the decision–making process and accountability to all stakeholders.

SEBI and Ministry of Corporate Affairs (MCA) has bought up a slew of changes this year including additional Corporate Governance norms bearing significant impact on the manner in which the Company navigates the market conduct framework. These norms provide for strict disclosures and protection of investor rights and aimed at all four aspects of Corporate Governance – fairness, transparency, responsibility and accountability.

The Company has devised an effective whistle blower mechanism enabling stakeholders, including individual employees to freely communicate their concerns about illegal or unethical practices. Also, the Company has devised a framework to avoid insider trading and abusive self-dealing.

Our Corporate Governance policy is based on the principles, being:-

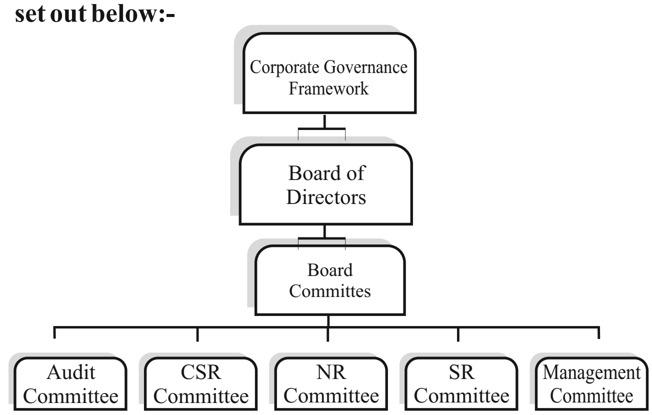
- Simple and transparent corporate structure.
- Principle of freedom to the executive management within the given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility.
- Careful construction and continual evaluation of Corporate Governance framework to foster long-term value and sustainable growth.
- Corporate Governance framework of the Company also specifies the distribution of the roles and responsibilities among different participants, such as Board of Directors, Committees of the Board, Business & Finance Heads and other associates and spells out rules and procedures for making decisions on corporate affairs. The Board has established five Committees to discharge its responsibilities in an effective manner.
- It also provides a mechanism through which Company's objectives are set, the means to achieve these objectives are defined out and the process of monitoring performance is delineate.

Company has set guidelines in the form of Code of Conduct for members of the Board and Senior Management Personnel to enhance ethical and transparent process in managing the affairs of the Company and to sustain the trust and confidence shown in the management by the shareholders of the Company. Company also ensures timely disclosures to various authorities, as and when required.

Chairman of the Company also plays a vital role in ensuring good Corporate Governance. Chairman takes the responsibility of the Board, ensures that the Company focuses on key tasks, engages the Board in assessing & improving its performance, ensures proper information for the Board as well as ensures that the Board is effective in its task of setting and implementing the Company's direction and strategy.

The Audit Committee critically evaluates the Internal Audit Reports, Risk Management Reports & ensures compliance of various laws applicable on the Company through Compliance Reports from various departments.

An overview of our Corporate Governance Structure is set out below:-



2. BOARD OF DIRECTORS

<u>Composition and Category of Directors</u>

Company has a Board Diversity Policy to assure that the Board is fully diversified and comprises of an ideal combination of executive and non-executive directors.

During the Financial Year 2019-20, the Board of Directors of the Company comprised of 5 (Five) Directors and out of which 2 (Two) are Executive Directors, 1 (One) is Non-Executive Director and 2 (Two) are Non-Executive Independent Directors. The Chairman of the Board is aNon-Executive Independent Director.

Also, none of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, as specified in Regulation 26 of the Listing Regulations across all the Public Companies in which he/she is a Director.

Thus, composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

The composition & category of Directors as on 31st March, 2020 are as follows:

Executive Directors	Non-Executive Director	Independent Directors
Mr. Saurabh Kalani Mr. Anand Khandelwal	Ms. Alka Sagar	Mr. Anirudh Chittranjan Sonpal Mr. Bhuwan Navneet Modi

Attendance & Membership/Chairmanship of Directors in other Companies

Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 18th September, 2019	No. of Directorship in other Companies (excluding private companies)	Membership/Chairmanship of Committees of other Companies (Represents Audit Committee & Stakeholders' Relationship Committee)	
				Member	Chairman
Board of Directors as on 31st March, 2020					
Mr. Anirudh Chittaranjan Sonpal (DIN: 03367049)	5	No	0	0	0
Mr. Bhuwan Navneet Modi[2] (DIN: 02855329)	4	No	0	0	0
Mrs. Alka Sagar (DIN: 07138477)	5	Yes	1	0	0
Mr. Saurabh Kalani (DIN: 00699380)	5	Yes	1	0	0
Mr. Anand Khandelwal (DIN: 07889346)	3	No	1	0	0
Mr. Ashish Jamidar[1] (DIN: 08196328)	3	No	0	0	0
Mr. Dharmendra Pawar[3] (DIN: 08068916)	0	NA	NA	NA	NA

NA - Not Applicable

Note :

1. Mr. Ashish Jamidar ceased to be Whole-Time Director of the Company w.e.f. 1st October, 2019.
2. Mr. Bhuwan Navneet Modi ceased to be Independent Director of the Company w.e.f 15th November, 2019.
3. Mr. Dharmendra Pawar joined as Independent Director of the Company w.e.f 14th February, 2020.

<u>No. of Board Meetings held during the year</u>

During the year under review, 5 (Five) board meetings were held on below-mentioned dates:-

7th May, 2019; 24th May, 2019; 10th August, 2019; 14th November, 2019 and 14th February, 2020.

During the year under review, 1(one) matter has been considered by Resolution by Circulation on 19th September, 2019.

The gap between two meetings did not exceeded one hundred and twenty days. The Company placed before the Board most of the information specified in Part A of Schedule II to the Listing Regulations from time to time. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company takes effective steps to rectify instances of non-compliance, if any.

There are no relationships between the Directors of the Company, inter-se.

Details of shares/convertible instruments held by Non-Executive Directors

None of our directors were holding shares & convertible instruments of the Company as on 31st March, 2020.

Familiarisation Programmes

The details of familiarisation programmes are available on the website of the Company viz. http://flexituff.com/wp-content /uploads/2020/01/Policies-Programmes-Familiari sation.pdf

Independent Directors

The Company has obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations.

Based on the disclosures received from all the independent directors and in the opinion of the Board, fulfill the criteria of Independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations and are independent of management.

Also, pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from thedirectors in this regard.

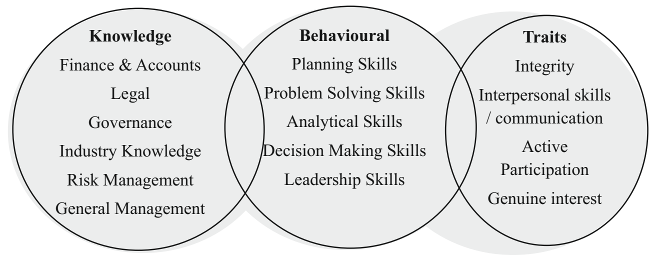
Schedule IV of the Companies Act, 2013 and the Rules there under mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. At such meetings, the Independent Directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, leadership, strengths and weaknesses, governance, compliance, Board movements and performance of the executive members of the Board. During the year, the Independent Directors met without the presence of the Management.

During the year under review, Mr. Bhuwan Navneet Modi, Independent Director of the Company has resigned from the Board w.e.f. 15thNovember, 2019 due to pre-occupations in other assignments and there exists no material reason other than these provided.

Directors' Profile

A brief profile of Directors, their educational qualifications, nature of their expertise in specific functional areas are put up on the Company's website and can be accessed at (http://flexituff.com/brief-profile-of-the-board-of-directors).

In terms of requirement of Listing Regulations, the Board has identified the core skills/expertise/competencies of the Directors, as given below:



The skills/expertise/knowledge area of the Directors are given below:

Skill Set/Area of expertise Knowledge	Whether the skill set/area of expertise/knowledge is possessed by the Director of the Company				
	Anirudh Sonpal	Dharmendra Pawar	Alka Sagar	Saurabh Kalani	Anand Khandelwal
Finance & Account	Yes	Yes	Yes	Yes	Yes
Legal	Yes	Yes	Yes	Yes	No
Governance	Yes	Yes	Yes	Yes	Yes
Industry Knowledge	Yes	Yes	Yes	Yes	Yes
Risk Management	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes

As far as Skills namely Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills and Leadership Skills; and Behavioural Traits namely Integrity, Genuine interest, Interpersonal skills / communication and Active Participation are concerned, all the Directors of the Company possess them.

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted 5 (Five) Committees of the Board to deal with specific areas and activities which concerns the Company and requires a closer review.

AUDIT COMMITTEE

Audit Committee has been constituted in accordance with the provisions of Regulation18 of the Listing Regulations and Section 177 of the Companies Act, 2013 mainly to provide oversight of the financial reporting and audit process.

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2019-20		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2020				
Mr. Anirudh Chittaranjan Sonpal	Chairman Non-Executive (Independent)	5	5	5
Mr. Bhuwan Navneet Modi	Member Non-Executive (Independent)	5	4	4
Mr. Saurabh Kalani	Member Executive	5	5	5
Mr. Dharmendra Pawar	Member Non-Executive (Independent)	5	1	1

Note:-

1. Mr.Bhuwan Navneet Modi ceased to be Director of the Company w.e.f 15th November, 2019.
2. Mr. Dharmendra Pawar has been appointed as Additional Director of the Company w.e.f 14th February, 2020.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, the Audit Committee met 5 (Five) times on below-mentioned dates and the gap between two meetings did not exceed one hundred and twenty days:

7th May, 2019; 24th May, 2019; 10th August, 2019; 13th November, 2019 and 14th February, 2020.

During the year under review, 1(one) matter has been considered through Resolution by Circulation on 18th September, 2019.

Terms of Reference

The terms of reference of the Audit Committee are broadly as per Part C of Schedule II of the Listing Regulations read with Section 177 of the Companies Act, 2013.

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

- Oversight of the Company's financial reporting process and the disclosures of its Financial Reporting process.
- Recommendation for appointment, remuneration and terms of appointment of Auditors.
- Reviewing Annual Financial Statements & Auditors' Report thereon.
- Review of Management Discussion & Analysis of Financial condition & results of operations.
- Approval & review of Related-party transactions.
- Review of Internal Audit Reports.

NOMINATION AND REMUNERATION COMMITTEE

Company's Nomination and Remuneration Committee has been constituted in accordance with the provisions of Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013, mainly to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors and Key Managerial Personnel.

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2019-20		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2020				
Mr. Bhuwan Navneet Modi[1]	Chairman Non-Executive (Independent)	2	1	1
Mr. Anirudh Chittaranjan Sonpal	Member Non-Executive (Independent)	2	2	2
Ms. Alka Sagar	Member Non-Executive	2	2	2
Mr. Dharmendra Pawar[2]	Chairman Non-Executive (Independent)	2	1	1

Note:-

1. *Mr.Bhuwan Navneet Modi ceased to be Director of the Company w.e.f 15th November, 2019.*
2. *Mr. Dharmendra Pawar has been appointed as Additional Director (Category: Independent) of the Company w.e.f 14th February, 2020.*

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 2 (Two) Nomination & Remuneration Committee Meetings were held on below-mentioned dates:-

24th May, 2019 and 14th February, 2020.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are broadly as per Part D of Schedule II of the Listing Regulations & Section 178 of Companies Act, 2013.

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

- Formulation of the criteria for determining independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, KMP and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Identifying persons who are qualified to become Directors and who may be appointed as Director and recommend to the Board their appointment/removal
- Specifying the manner for effective evaluation of performance of Board, its Committees and Individual Directors and review its implementation & compliance.

Performance Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and Listing Regulations, the annual performance evaluation of the performance of the Board, its Committees and of individuals has been carried out.

Structured performance evaluation questionnaire were circulated to the Directors for:

- Directors' - Peer Level Evaluation;
- Board's Evaluation;
- Evaluation of Independence of Independent Directors;
- Board Committees' Evaluation; and
- Chairman's Evaluation.

The evaluation questionnaires broadly cover parameters such as their participation in board meeting/other committee meeting, relationship management, knowledge & skill, adherence to the applicable code of conduct for independent directors, maintenance of confidentiality etc.

The summary of rating given by all the directors on the structured performance evaluation was placed before the Board of Directors.

REMUNERATION

Relation & transactions of Non-Executive Directors

During the year under review, no pecuniary transaction was undertaken between Company & its Non-Executive Directors.

Criteria of making payments to Non-Executive Directors

Criteria for making payment to Non-Executive Directors have been put up on the website of the Company viz. (http://flexituff.com/wp-content/uploads/2019/04/Policies-Programe-Nomination-Remuneration-Policy.pdf)

Details of Remuneration/Sitting Fees

The details of remuneration/Sitting Fees paid to the Directors during the year under review are as under:

(Amount in Million)

Name of Director	Salary, Allowance & benefit	Reimbursement	Bonus	Pension	Provident Fund	Stock Options	Sitting Fees	Total
Mr. Saurabh Kalani	1.74	-	0.01	1.10	-	-	-	2.85
Mr. Ashish Jamidar*	2.14	-	0.01	-	-	-	-	2.15
Mr. Anand Khandelwal	1.01	-	0.00	-	-	-	-	1.01
Mr. Anirudh Sonpal	-	-	-	-	-	-	0.05	0.05
Mrs. Alka Sagar	-	0.16	-	-	-	-	0.05	0.21
Mr. Bhuwan Modi$	-	-	-	-	-	-	0.04	0.04
Mr. Dharmendra Pawar#	-	-	-	-	-	-	0.01	0.01

* Mr. Ashish Jamidar has resigned from the Board w.e.f. 01st October, 2019.

$Mr. Bhuwan Navneet Modi has resigned from the Board w.e.f. 15th November, 2019.

#Mr. Dharmendra Pawar has been appointed as an Additional Director (Category:Independent) of the Company w.e.f. 14th February, 2020.

Service Contracts, Severance Fees and Notice Period

The Whole-Time Director's appointed can be terminated by two months' notice in writing on either side, and no severance fees or performance linked incentives were paid to Directors of the Company.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Company's Stakeholders' Relationship Committee has been constituted in accordance with the provisions of Regulation 20 of the Listing Regulations and Section 178 of Companies Act, 2013.

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2019-20		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2020				
Mr. Bhuwan Navneet Modi[1]	Chairman Non-Executive (Independent)	4	3	3
Mr. Anirudh Chittaranjan Sonpal	Member Non-Executive (Independent)	4	4	4
Ms. Alka Sagar	Member Non-Executive	4	4	4
Mr. Dharmendra Pawar[2]	Chairman Non-Executive (Independent)	4	1	1

Note:-

1. Mr.Bhuwan Navneet Modi ceased to be Independent Director of the Company w.e.f 15th November, 2019.
2. Mr. Dharmendra Pawarhas been appointedas Additional Director (Category: Independent) of the Company w.e.f 14th February,2020.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 4 (Four) Stakeholders' Relationship Committee Meetings were held on the below-mentioned dates:-

7th May, 2019; 10th August, 2019; 13th November, 2019 and 14th February, 2020.

Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee are broadly as per Part D of Schedule II of the Listing Regulations & Section 178 of Companies Act, 2013.

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

- Review matters connected to transfer of securities.
- Consider, resolve and monitor redressal of stakeholders' grievances/requests related to transfer of securities, non-receipt of annual reports etc.

Name & Designation of Compliance Officer

Ms. Khushboo Kothari, Company Secretary of the Company acts as the Compliance Officer.

Details of shareholders' complaints during the year 2019-20*:-

No. of complaints as on 01.04.2019	Received during the year	Resolved during the year	No. of complaints as on 31.03.2020
NIL	NIL	NIL	NIL

* The above data is based on report downloaded from SEBI Complaints Redress System (SCORES) & certificate received from Link Intime India Private Limited (Registrar & Share Transfer Agent).

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Company's Corporate Social Responsibility (CSR) Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013.

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2019-20		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2020				
Mr. Saurabh Kalani	Chairman, Executive	1	1	1
Ms. Alka Sagar	Member Non-Executive	1	1	1
Mr. Bhuwan Navneet Modi[1]	Member Non-Executive (Independent)	1	1	1
Mr. Dharmendra Pawar	Chairman Non-Executive (Independent)	1	0	0

Note:

1. Mr. Bhuwan Navneet Modi ceased to be Independent Director of the Company w.e.f 15th November, 2019 and Mr. Dharmendra Pawar has been appointed as Additional Director (Category: Independent) of the Company w.e.f 14th February,2020.
2. Therefore, the Nomination and Remuneration Committee got re-constituted during the year under review.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 1(One) Corporate Social Responsibility Committee Meetings washeld on 24th May, 2019.

Terms of Reference

The terms of reference of Corporate Social Responsibility Committee are in accordance with Section 135 read with Schedule VII of the Companies Act, 2013.

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

- Formulate & recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor CSR Policy of the Company from time to time.
- Monitor the CSR activities undertaken by the Company.
- Review of Annual Report on CSR.

The Company formulated CSR Policy, which is uploaded on the website of the Company viz. (http://flexituff.com/wp-content/uploads/2020/07/Policies-Programmes-Corporate-Social-Responsibility.pdf)

MANAGEMENT COMMITTEE

Board has constituted Management Committee in accordance with the provisions of the Companies Act. The terms of reference are those which can be delegated to Committees of Board of Directors.

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2019-20		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2020				
Mr. Saurabh Kalani	Chairman, Executive	12	12	12
Mr. Anand Khandelwal	Member Executive	12	12	12
Mr. Ashish Jamidar[1]	Member Executive	12	7	7

Note:

1. Mr. Ashish Jamidar ceased to be Whole-Time Director of the Company w.e.f 1st October, 2019.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 12 (Twelve) Management Committee Meetings were held. The dates on which the said meetings were held are as follows:

5th April, 2019; 2nd May, 2019; 1st July, 2019; 5th August, 2019; 12th August, 2019; 26th August, 2019; 18th September, 2019; 10th October, 2019; 4th November, 2019; 2nd December, 2019; 6th January, 2020 and 17th February, 2020.

Terms of Reference

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

- Procurement & management of funds for existing & future projects of the Company
- Approval & execution of deeds, documents, undertakings & declarations as may be required by the lenders banks/institutions in connection with the debts financing of the Company.
- To carry any other functions as may be mandated by the Board from time to time.

4. GENERAL BODY MEETINGS

Annual General Meeting

AGM	Financial Year	Date	Time	Venue
26th	2018-19	18th September, 2019	12:30 P.M.	C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) –454775
25th	2017-18	19th September, 2018	12:00 Noon	
24th	2016-17	22nd August, 2017	12:30 P.M.	

Special resolutions passed at last three AGM:

AGM	Financial Year	Special Resolution Passed
26th	2018-19	Re-Appointment of Mr. Anirudh Chittranjan (DIN: 00367049) as an Independent Director of the Company.
25th	2017-18	Approval for change of name of the Company from "Flexituff International Limited" to "Flexituff Ventures International Limited"
		Appointment of Mr. Ashish Jamidar (DIN: 08196328) as Whole-Time Director of the Company.
		Approval for Payment of Remuneration to Mr. Mahesh Sharma (DIN: 07610685), Whole-Time Director of the Company, in case of no profit or inadequate profit.
		Approval for Payment of Remuneration to Mr. Saurabh Kalani (DIN: 00699380), Whole-Time Director of the Company in case of no profit or inadequate profit.
		Approval for payment of Remuneration to Mr. Anand Khandelwal (DIN: 07889346), Whole-Time Director in case of no profits or inadequate profit.
		Approval for charges for delivery of documents to members.
24th	2016-17	Appointment of Mr. Mahesh Sharma (DIN: 07610685) as Whole-Time Director of the Company.
		Re-appointment of Mr. Saurabh Kalani as Whole-Time Director of the Company.
		Appointment of Mr. Anand Khandelwal (DIN: 00699380) as Whole-Time Director of the Company.
		Ratification of remuneration paid to Mr. Akhilesh Agnihotri as Whole-Time Director.
		Approval of Strategic Debt Restructuring Scheme.

Extraordinary General Meeting

During the year under review, one extraordinary general meeting was held on 19th October, 2019.

EGM	Financial Year	Special Resolution Passed
1	2019-20	Appointment of Joint Statutory Auditor.

Postal Ballot

During the year under review, no resolution has been passed through Postal Ballot. There is no immediate proposal for passing any resolution through Postal Ballot.

5. DISCLOSURES

Details of Director seeking appointment / re-appointment at the Annual General Meeting

Details of the Directors seeking appointment/re-appointment have been provided in the Notice of the Annual General Meeting.

Disclosures on materially significant Related Party transactions that may have potential conflict with the interests of listed entity at large

During the year under review, all the transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations were entered into with approval of Audit Committee, Board or Shareholders, as need be.

There were no materially significant transactions with Related Parties during the year under review.

Company's major related party transactions are with its subsidiaries, LLPs & JVs. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report. A statement in summary form of transactions with related parties is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

None of the transactions with any of the related parties were in conflict with the Company's interest.

The policy on dealing Related Party Transactions has been posted on the website of the Company viz. (http://flexituff.com/wpcontent/uploads/2019/06/Policies-Programe-Related-Party-Transaction.pdf)

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No. of complaints as on 01.04.2019	Filed during the year	Disposed of during the year	No. of complaints as on 31.03.2020
NIL	NIL	NA	NIL

Details of establishment of vigil mechanism & whistle blower policy

The Whistle Blower Policy/vigil mechanism has been posted on the website of the Company viz. (http://flexituff.com/wp-content/uploads/2019/06/Policies-Programe-Vigil-Mechanism.pdf) & affirming that no personnel have been denied access to the Audit Committee.

Details of compliance with mandatory requirements & adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

The status of Compliance with non – mandatory (discretionary requirements) listed in Part E of Schedule II of the Listing Regulations is as under:

- The Non-Executive Chairman maintains a separate office for which the Company is not required to reimburse expenses.
- No half yearly declaration of financial performance is sent to shareholders separately.
- The financial statements of the Company are with modified audit opinion.
- The Internal Auditor reports to the Audit Committee.
- Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor, given below:

(Amount in Million)

Payment to Statutory Auditors	2019-20
Statutory Audit	2.80
Other Services including reimbursement of expenses	2.29
Total	**5.09**

- The credit rating assigned by ICRA Limited as on 31st March, 2020 was "D" rating for the Long term loan and "D" for Short term Non-Fund Based Limits, which indicates "negative" outlook. The explanation to the same has been provided in Directors' Report.

Web-link for policies

Code of Conduct

The Company has adopted Code of Conduct for members of the Board and Senior Management personnel. The code has been circulated to all the members of the Board and Senior Management and the same has been put on the Company's website viz.(http://flexituff.com/wp-content/uploads/2019/04/Policies-Programe-Code-of-Conduct.pdf)

The Board Members and Senior Management have affirmed their compliance with the code and a declaration signed by Mr. Saurabh Kalani, Whole-Time Director of the Company is annexed to this report.

Determining Material Subsidiaries

The policy for determining material subsidiaries has been put up on the website of the Company viz. (http:// flexituff.com/wp-content/uploads/2019/06/Policies-Programe-Material-Subsidiary.pdf).

Compliance of Corporate Governance Requirements

Company confirms the compliances with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b to i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as on 31st March, 2020.

Disclosures with respect to Unclaimed Dividend

Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Dividend for the year	Date of declaration of dividend	Dividend Details (Amount in Rs. Lakhs)	Amount of unpaid dividend (Amount in Rs.)	Due date to claim the dividend	Due date of transfer to Unpaid Dividend Account	Due date of accepting claim by the Company	Date for transfer to IEPF
2014-15	30-09-2015	248.83	888	30-10-2015	06-11-2015	05-11-2022	05-12-2022
2013-14	30-09-2014	248.82	15081	30-10-2014	06-11-2014	05-11-2021	05-12-2021
2012-13	30-09-2013	229.02	2264	30-10-2013	06-11-2013	05-11-2020	05-12-2020

[#]The amounts of unpaid dividend also include bank credits received pursuant to the cancellation of demand drafts beyond the validity period. The banks have cancelled the issued demand draft in accordance with the SEBI circular dated April 20, 2018 on "Strengthening the Guidelines and Raising Industry Standards for RTA, Issuer companies & Banker to an issue".

In order to educate the shareholders and with an intent to protect their rights, the Company also sends regular reminders to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF. Also, the Company has uploaded the details of unpaid and unclaimed amounts of dividend on its website viz. www.flexituff.com.

Dividend remitted to IEPF during the last three years

Dividend for the year	Date of declaration of dividend	Date of transfer to IEPF	Amount transferred to IEPF (Amount in Rs.)
2011-12	25-09-2012	25-11-2015	24,806

Shares transferred to IEPF

During the year under review, the Company has transferred 119 shares on 14th November, 2019 due to dividends unclaimed for seven consecutive years, in accordance with IEPF rules. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

6. MEANS OF COMMUNICATION

Quarterly Results

The quarterly results duly approved by the Board of Directors are sent immediately after the Board Meeting to both the Stock Exchanges where the Company's shares are listed. The same are published in "Times of India" and "Swadesh" in terms of the Listing Regulations and Secretarial Standards in the format as prescribed by the Stock Exchanges. The Company also posts its financial results on its website i.e. www.flexituff.com.

Website

The Company's website www.flexituff.com contains a separate section "Investor Relations" where shareholders' information is available.

NEAPS & BSE Corporate Compliance & Listing Centre

All periodical filings like shareholding pattern, corporate governance, statement of investor complaints, among others are filed electronically to NSE through NEAPS (NSE Electronic Application Processing System) & to BSE through BSE Corporate Compliance & Listing Centre.

Mail

The Company has designated investors@flexituff.com for investor servicing.

7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	:	15th October, 2020
Day	:	Thursday
Time	:	2:00 PM
Venue	:	C 41-50, SEZ, Sector-III, Pithampur Distt. Dhar (M.P.) 454775

Participation and voting at 27th AGM

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs and Circular number SEBI/ HO/CFD/ CMD1 / CIR/P/2020/79 issued by SEBI, the 27th AGM of the Company will be held through video-conferencing and the detailed instructions for participation and voting at the meeting is available in the notice of the 27th AGM.

Financial Year

The Company's financial year begins on April 1 and ends on March 31.

Dividend payment : Nil

Listing on stock exchanges

Name & address of the Stock Exchange	Stock Code / Scrip Code	ISIN Number for NSDL/ CDSL (Dematerialized shares)
The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	FLEXITUFF	INE060J01017
BSE Limited 25th Floor, P.J. Towers, Dalal Street, Mumbai 400 001	533638	

The Listing / Annual Custody Fees for FY 2019-20 have been paid for all of the above stock exchanges and Depositories.

Corporate Identification Number (CIN):

L25202 MP1993 PLC03 4616

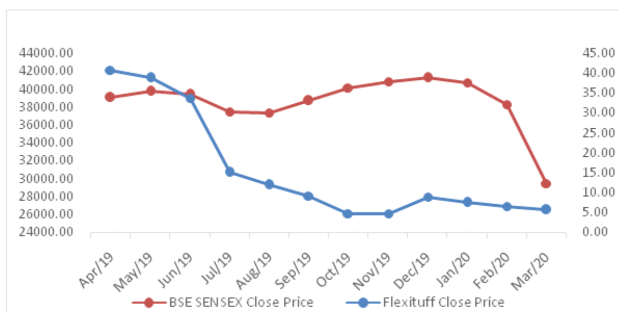
Market Price Data

High, low (based on monthly closing prices) and number of equity shares traded during each month in the year 2019-20 on BSE Limited and National Stock Exchange of India L

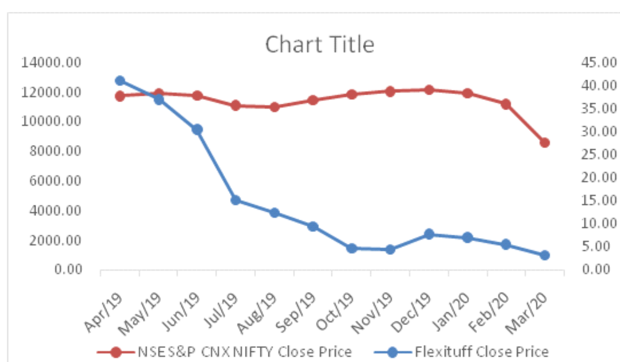
Month and Year	BSE			NSE		
	High (Rs.)	Low (Rs.)	Traded Quantity	High (Rs.)	Low (Rs.)	Traded Quantity
Apr-19	53.60	39.25	7,066	54.90	41.00	1,18,784
May-19	43.25	34.15	4,584	43.95	35.00	85,036
June-19	39.50	29.10	3,096	40.35	29.50	67,308
July-19	32.15	14.20	30,792	32.95	13.80	2,01,989
Aug-19	15.95	11.85	13,994	16.70	11.20	1,15,743
Sep-19	13.68	9.11	35,619	15.65	9.40	2,42,940
Oct-19	8.95	4.75	1,17,398	8.95	4.75	1,90,052
Nov-19	4.74	3.09	1,86,803	4.90	3.05	3,73,152
Dec-19	10.52	4.89	1,80,116	9.95	4.60	1,30,330
Jan-20	9.30	6.71	33,133	7.80	6.45	2,07,110
Feb-20	7.70	6.50	6,058	7.40	5.60	48,756
Mar-20	6.18	5.59	1,130	5.55	3.25	76,252

Performance in comparison to BSE-Sensex and NSE-Nifty

Performance in comparison to BSE-Sensex



Performance in comparison to NSE-Nifty



Registrar and Share Transfer Agent

LinkIntime India Private Limited

C-101, 247 Park, L B S Marg,

Vikhroli (West), Mumbai - 400083

Tel.: +91 22 49186000, Fax: +91 22 49186060

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar and Share Transfer Agent (RTA) within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Company obtains a half-yearly compliance certificate from a Company Secretary in Practice and Registrar & Transfer Agents as required under the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE Limited & National Stock Exchange of India Limited.

Distribution of equity shareholding as on 31st March, 2020

Nominal Value of Each Equity Share is Rs. 10/-

No. of equity shares held	No. of share holders	% of share holders	No. of share held	% of total shares held	Amount (In Rs.)
1 to 500	2437	78.7654	2,85,974	1.1493	28,59,740
501 to 1000	278	8.9851	2,25,040	0.9044	22,50,400
1001 to 2000	138	4.4602	2,00,789	0.8069	20,07,890
2001 to 3000	55	1.7776	1,37,061	0.5508	13,70,610
3001 to 4000	21	0.6787	75,358	0.3029	7,53,580
4001 to 5000	20	0.6464	94,503	0.3798	9,45,030
5001 to 10000	38	1.2282	2,83,087	1.1377	28,30,870
10001 and above	107	3.4583	2,35,80,994	94.7682	23,58,09,940
Total	**3,094**	**100.00**	**2,48,82,806**	**100.00**	**24,88,28,060**

Categories of equity shareholders as on 31st March, 2020

Category	No. of Equity Shares held	Percentage of holding (%)
Indian Promoters (Corporates)	81,81,603	32.88
Banks, FIs, Insurance Companies	19,93,388	8.01
Foreign Portfolio Investors (Corporate)	2,31,110	0.93
Other Bodies Corporate	69,25,970	27.83
Foreign Companies	39,03,726	15.68
Non Resident	23,498	0.09
Clearing Members	8,439	0.03
Hindu Undivided Family	83,757	0.033
Public	23,97,798	14.16
Relatives of Director	7,600	0.03
Government Companies	119	0.0
Grand Total	**2,48,82,806**	**100.00**

Dematerialization of Shares and Liquidity

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31st March 2020, 95.48% equity shares are in Demat form and remaining 4.52 % equity shares are in physical form.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

- Our registrar for electronic connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) is Link Intime India Private Limited, Mumbai..
- 5.44% Foreign Currency Convertible Bonds (the "FCCBs") of USD 25 Million issued to TPG Growth SF II Pte. Ltd. ("TPG"), convertible at the option of Bondholder into fully paid up equity shares of the Company at a price of Rs. 218/- per equity share were fallen due on 26th April, 2018. On the request of the Company, TPG extended the said repayment to 30th June, 2018 and thereafter for a period of Forty-Eight (48) Months from 30th June, 2018 on revised terms & conditions as mutually agreed between Company & TPG and approved by Authorized Dealer & RBI. The Company has defaulted in repaying the said FCCBs.
- 5.34% Foreign Currency Convertible Bonds (the "FCCBs") of USD 9 Million issued to International Finance Corporation ("IFC") convertible at the option of Bond holder into fully paid up equity shares of the Company at a price of Rs. 230/- per equity share were fallen due on 29th January, 2019, The Company has defaulted in repaying the said FCCBs as on due date.

During the year under review, the Company faces extreme shortage of working capital resulting to mismatch of cashflow which led delay in payments to lenders on their respective scheduled dates.

The Company is pursuing with its lenders to sign an Inter Creditor Agreement and trying to find new Lender to achieve one time settlement to correct the default which in turn leads to restoration of fair credit rating for further financing to sustain its operations in the normal course of business.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid down policies. Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all. Further, Company also hedges its commodity price risk through fixed price swaps.

Plant locations

SEZ Unit

C-41 - 50, Special Economic Zone, Sector - III, Industrial Area, Pithampur

Dist. Dhar - 454775,

Madhya Pradesh

DTA Unit

94, Industrial Area, Sector - I, Pithampur

Dist. Dhar - 454775

Madhya Pradesh

Kashipur Unit

Khasra No. 672-728, Village - Mahuakhera, Aliganj Road, Kashipur,

Dist. Udhamsingh Nagar - 244713

Uttrakhand

Address for Correspondence

Shareholder's correspondence should be addressed to the Company's RTA at the Address mentioned below:

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai - 400083
Tel.: +91 22 49186000, Fax: +91 22 49186060
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

For any further assistance, the shareholder's may Contact:

Registered Office:

Flexituff Ventures International Limited.
C-41-50, SEZ, Sector -3,
Pithampur- 454775, Dist. Dhar (M.P.)
Tel. +91 7292 420200, Fax : 07292-401684
Email: investors@flexituff.com

Website: www.flexituff.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

Email ID for rederessal of Investor Grievances i.e. investors@flexituff.com.

8. PCS CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from the Practicing Company Secretary, Mr. Ritesh Gupta, Proprietor of M/s Ritesh Gupta & Co., confirming compliance with conditions of Corporate Governance, as stipulate under Regulation 34 of the Listing Regulations is annexed to this Report.

9. PCS CERTIFICATE ON NON - DISQUALIFICATION OF DIRECTORS

Certificate from the Practicing Company Secretary, Mr. Ritesh Gupta, Proprietor of M/s Ritesh Gupta & Co., confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company, is annexed to this Report.

10. CEO AND CFO CERTIFICATION

The annual certificate given by the Executive Director is annexed to this report.

11. SERVICE OF DOCUMENTS IN ELECTRONIC FORM

In order to conserve paper, environment and human health, the circulars of Ministry of Corporate Affairs (MCA), Government of India and Securities and Exchange Board of India has allowed and envisaged the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Report, Auditors' Report, etc., henceforth to their shareholders electronically as a part of its Green Initiative as well as a preventive measure against spread of zoonotic COVID-19.

Keeping in view the aforesaid, Company has sent the Annual Report to its shareholders in electronic form, at the e-mail address provided by them and made available to it by the Depositories. In case of any change in your e-mail address, you are requested to please inform the same to your Depository (in case you hold the shares in dematerialised form) or to the Company (in case you hold the shares in physical form).

The said documents are also available on Company's website www.flexituff.com. Please note that physical copies of the above documents shall also be made available for inspection, during office hours, at the Registered Office of the Company at Pithampur, Dhar-454775 (M.P.).

For and On Behalf of the Board of Directors of
Flexituff Ventures International Limited

Anand Khandelwal	**Saurabh Kalani**
Whole-Time Director	Whole-Time Director
(DIN: 07889346)	(DIN: 00699380)

Date: 31.08.2020
Place: Pithampur

ED CERTIFICATION

We hereby certify that:

a) We have reviewed the Audited Standalone & Consolidated Financial Statements & the Cash Flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statements 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) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2020 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 we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee, and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

ii) There has not been any significant change in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

iii) We are not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Saurabh Kalani
Whole-Time Director
(DIN : 00699380)

Date: 10.07.2020
Place: Pithampur

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

{Under Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,

The Members

Flexituff Ventures International Limited

We have examined the compliance of conditions of Corporate Governance by Flexituff Ventures International Limited (the Company), for the year ended March 31, 2020, as stipulated in Regulation 34 (3) read with Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the company has complied with conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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 Ritesh Gupta & Co.
Company Secretaries
Ritesh Gupta
CP:3764, FCS:5200

Date: 10.07.2020
Place: Indore

INDEPENDENT AUDITOR'S REPORT

To the Members of Flexituff Ventures International Limited (formerly known as Flexituff International Limited)

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Flexituff Ventures International Limited (formerly known as Flexituff International Limited) ("the Company"), which comprise the balance sheet as at 31st March 2020 and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes tothe standalonefinancial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner sorequired and give a true and fair view in conformity with the Indian Accounting Standardsprescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally acceptedin India, of the state of affairs of the Company as at March 31, 2020, and itsloss, changes in equityand its cash flows for the year ended on that date.

Basis for Qualified Opinion

a. The Company has recognized MAT credit as deferred tax asset aggregating to Rs. 279.77million as at March 31, 2020 which is available for offset between five to fifteen years. Due to the financial difficulties experienced by the Company as stated in Note 22 (d) and Note 24 (c) to the standalone financial statements and significant uncertainty stated in Note 54 to the standalone financial statements, we are unable to comment on the recoverability of MAT credit recognized as deferred tax asset and consequential impact, if any, on the standalone financial statements.

b. The Company's Cash Generating Unit ("CGU") viz. Kashipur Cluster, has a carrying value of Rs. 4,502.90 million as on March 31, 2020 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36- Impairment of Assets. The Company is undergoing financial difficulties as stated in Note 22 (d) and Note 24 (c) to the standalone financial statements and there is significant uncertainty as cited in Note 54 to the standalone financial statements in respect of the Company's plan to monetize its assets, secure funding from the bankers/investors, restructure its liabilities and normalize its operation, We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the standalone financial statements with regard to the CGU.

c. The Company has not provided for interest charge (including penal interest) amounting to Rs. 85.77 million for the quarter ended March 31, 2020 on loans outstanding to certain lenders. Further, during the quarter ended March 31, 2020 the Company has reversed the interest charge (including penal interest) accounted in the books amounting to Rs. 187.54 million for the period April 1, 2019 to December 31, 2019 pertaining to those lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss during the current year is understated by Rs. 273.31 million. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. Refer Note 53 to the standalone financial statements.

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 describedin 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note no.54of the standalone financial statements which states that the Company has incurred net losses of Rs. 1,649.19 million during the year ended March 31, 2020 and has a net current liability position of Rs.

3,886.95 million as on that date and describes certain loans for which the Company is in default. Further, the Company's ability to meet its future obligations is dependent on restructuring of its loans. These conditions indicate significant doubt on the Company's ability to continue as going concern. The Company is in the process of executing an Inter Creditor Arrangement and proposing a resolution plan to the lenders. In view of the above, the standalone financial statements of the Company has been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 52 to the standalone financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognized in the standalone financial statements. Accordingly, no adjustments have been made to the Statement. Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the directors report, corporate governance report and management discussion and analysis report (together referred to as 'Other Information'),but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included indirectors report ,corporate governance report and management discussion analysis report have not been adjusted for the impacts as described in the Basis for Qualified Opinion section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance, changes in equity 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 of the assets of the Company and for preventing and detectingfrauds 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, thatwere 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 viewand are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's abilityto continue as a going concern, disclosing, as applicable, matters related to going concern and usingthe going concern basis of accounting unless the Board of Directors either intends to liquidate the Company orto cease operations,or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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.

We give in “Annexure A” a detailed description of Auditor's responsibilities for Audit of the StandaloneFinancial Statements.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2019, were audited by MSKA & Associates and Kailash Chand Jain & Co. as Joint Auditors, whose report dated May 24, 2019 expressed an unmodified opinion on those standalone financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we givein the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) Except for the effects of the matters described in the Basis of Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equityand the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) Except for the matter described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matter described in Material Uncertainty Related to Going Concern section of our report, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on March 31,2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion above.

(h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position inits standalone financial statements – Refer Note 39 to the standalone financial statements;

ii. The Company did nothave any long-term contracts including derivative contracts for which there were anymaterial foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to theInvestor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration
No.105047W

Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADP8114

Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration
No. 006228C

Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACF1171

Place: Indore
Date: July 10, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FORMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W
Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADP8114

Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration No. 006228C
Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACF1171

Place: Indore
Date: July 10, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FORMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED) FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.

iii. The Company has granted loans,secured or unsecured to Companies, Limited Liability Partnerships (LLP) and Joint Ventures covered in the register maintained under section 189 of the Act.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Companies, LLPs and Joint Ventures listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In case of the loans granted to the Companies, LLPs, Joint Ventures listed in the register maintained under section 189 of the Act, the loans granted are repayable on demand and accordingly, there is no specific stipulation of the schedule of repayment of principal and interest. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.

(c) The loans granted are repayable on demand and no demand for repayment being made, there is no overdue amount of loans granted to the Companies, LLPs, Joint Ventures listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion,undisputed statutory dues includingduty of customs and goods and service tax have been regularly deposited with the appropriate authorities; however, undisputed statutory dues including profession tax have been generally regularly deposited with the appropriate authorities, though there has been slight delays in few cases and undisputed statutory dues including provident fund, employees' state insurance, income-tax have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

Statutory dues which were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable are as under:

Name of the statute	Nature of the dues	Amount (Rs. Millions)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax deducted at source	7.61	April, May, July and August 2019	7th day of the	Unpaid

. (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as under:

(Amount in Million)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax, penalty and interest there on	111.68	36.27	FY 2004-05 to AY 2006-07; FY 2009-10, FY 2011-12 to FY 2013-14 and FY 2015-16	Commissioner to Income Tax (Appeals)
		18.00	11.24	FY 2003-04, FY 2004-05, FY 2008-09 and FY 2011-12	Income Tax Appliate Tribunal
Central Sales Tax Act, 1956	Sales Tax	1.61	--	FY 2010-11 to FY 2015-16	Appellate Authority - Additional Commissioner of Commercial Tax, Indore Division
		0.10	--	FY 2006-07 and FY 2009-10	Appellate Board, M.P. Tax Tribunal Bhopal
		32.29	9.33	FY 2009-10 to FY 2014-15	Appellate Authority - Commissioner's Level, Haldwani
M.P. Commercial Tax, 1994	Sales Tax	8.13	2.73	FY 2006-07 and FY 2009-10	Appellate Board, M.P. Tax Tribunal Bhopal
		4.33	122	FY 2011-12, 2013-14, 2015-16 and 2016-17	Appellate Board, M.P. Tax Tribunal Bhopal
M.P. Entry Tax Act, 1976	Entry Tax	13.52	6.01	FY 2006 - 07 to FY 2009 - 10	Appellate Board, M.P. Tax Tribunal Bhopal
		0.38	0.09	FY 2010 - 11	Appellate Authority - Additional Commissioner of Commercial Tax, Indore Division
Uttarakhand VAT Act, 2005	Sales Tax	11.82	9.31	FY 2012 - 13 to FY 2016-17	Appellate Authority - Commissioner's Level - Haldwani
Customs Act, 1962	Custom Duty, penalty and interest thereon	0.96	0.35	FY 2004 -05	Custom, Excise and Service Tax Appellate Tribunal, Kandla
Central Excise Act, 1944	Excise Duty, penalty and interest thereon	11.82	--	FY 2015-16	Custom, Excise and Service Tax Appellate Tribunal, New Delhi
		20.13	--	FY 2005-06 to FY 2007-08	Honorable Madhya Pradesh High Court

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders except for in the following cases the details of which are as follows:

Particulars	Amount of default as at March 31, 2020 (Rs. Millions)		Period of default since
	Principal	Interest @	
Name of the lenders in case of:			
(i) Financial Institution:			
1. KKR India Financial Services Private Limited	299.76	81.01	May 2019
2. IFCI Limited	105.00	47.06	July 2019
3. IFCI Venture Capital Funds Ltd.	22.08	2.74	December 2019
4. Tata Capital Financial Services Ltd.	2.60	1.15	Janurary 2020
5. International Finance Corporation	678.47	49.61	Janurary 2019
6. TPG Growth II SF Pte Ltd.	169.62	172.84	June 2019
(ii) Bank:			
1. Central Bank of India	35.17	3.48	August 2019
2. Central Bank of India#	329.79	-	August 2019
3. Punjab National Bank#	425.29	-	September 2019
4. Bank of Baroda#	259.61	-	September 2019

The Company has devolved Letter of Credit issued by banks. This amount represents the over utilisation of cash credit facilities based on drawing power sanctioned by banks in February 2020.

(a) The interest cited in above table is gross of interest reversal mentioned in Note 53 of the standalone financial statements.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/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. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated inparagraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration
No.105047W
Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADP8114

Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration
No. 006228C
Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACF1171

Place: Indore
Date: July 10, 2020

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FORMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED)

[Referred to in paragraph 2 (h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to standalone financial statements of Flexituff Ventures International Limited (formerly known as Flexituff International 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.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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) (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 Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration
No.105047W

Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADP8114

Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration
No. 006228C

Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACF1171

Place: Indore
Date: July 10, 2020

STANDALONE BALANCE SHEET as at 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSET			
Non-current assets			
Property, plant and equipment	5	5,183.41	5,490.86
Other intangible assets	6	477.26	577.38
Right-of-use-assets	41	15.92	-
Investment in subsidiaries and LLPs	7	12.99	12.99
Financial assets			
Investments	8	0.01	0.01
Other financial assets	9	148.40	228.89
Deferred tax assets		279.77	-
Non-current tax assets (net)	10	42.71	39.01
Other non-current assets	11	7.74	32.07
Total non-current assets		**6,168.21**	**6,381.21**
Current assets			
Inventories	12	1,395.37	1,495.51
Financial assets			
Trade receivables	13	2,381.55	3,862.89
Cash and cash equivalents	14	58.68	37.53
Bank balances other than cash and cash equivalent	15	57.18	158.99
Loans	16	344.22	383.59
Other current financial assets	17	46.63	49.53
Current tax assets (net)	18	38.97	14.58
Other current assets	19	1,121.84	1,698.54
Total current assets		**5,444.44**	**7,701.16**
Total assets		**11,612.65**	**14,082.37**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	248.83	248.83
Other equity	21	1,786.43	3,435.62
Total equity		**2,035.26**	**3,684.45**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	187.94	2,858.55
Lease liabilities	41	12.19	-
Provisions	23	45.84	53.69
Deferred tax liability (net)	37	-	36.20
Total non-current liabilities		**245.97**	**2,948.45**
Current liabilities			
Financial liabilities			
Borrowings	24	3376.98	2,649.92
Lease liabilities	41	4.86	-
Trade payables	25		
a) Outstanding dues to micro enterprises and small enterprises		-	-
b) Outstanding dues to creditors other than micro enterprises and small enterprises		1,656.56	2,502.36
Other current financial liabilities	26	4,084.02	2,167.09
Provisions	27	2.30	1.99
Other current liabilities	28	206.70	128.11
Total current liabilities		**9,331.42**	**7,449.47**
Total liabilities		**9,577.39**	**10,397.92**
Total equity and liabilities		**11,612.65**	**14,082.37**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Income			
Revenue from operations	29	8,727.62	11,748.13
Other income	30	200.08	268.86
Total income		**8,927.70**	**12,016.99**
Expenses			
Cost of material consumed	31	5,217.85	6,438.02
Purchase of stock-in-trade		693.34	441.77
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	79.53	126.42
Employee benefits expense	33	1,770.01	1,963.74
Finance costs	34	738.33	1,089.77
Depreciation and amortization expense	35	745.01	704.08
Other expenses	36	1,656.19	1,468.83
Total expenses		**10,900.26**	**12,232.63**
(Loss)/Profit before tax		**(1,972.56)**	**(215.64)**
Income tax expense / (credit)	**37**		
Current tax		-	-
MAT charge of previous year		-	0.26
Less: MAT credit entitlement of previous year		-	(0.26)
Income Tax charge for previous years		-	5.75
Deferred tax charge / (benefit) (excluding MAT credit entitlement		(318.28)	(63.63)
Total income tax (credit) / expense		(318.28)	(57.88)
Net Loss for the year		(1654.28)	(157.76)
Other comprehensive income / (loss)			
Items that will not to be reclassified to profit or loss			
Re-measurement (loss) / gain on defined benefit plans		7.40	(0.69)
Income tax effect on above		(2.31)	0.22
Other comprehensive income / (loss) for the year		**5.09**	**(0.48)**
Total comprehensive loss for the year		**(1649.19)**	**(158.24)**
Loss per share (face value of Rs.10/- each):			
Basic loss per share (INR)	38	(66.49)	(6.34)
Diluted loss per share (INR)	38	(66.49)	(6.34)
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements	2		

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

STANDALONE STATEMENT OF CASH FLOW for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
(Loss)/Profit before tax	(1,972.56)	(215.64)
Adjustments for:		
Depreciation and amortization expenses	745.01	704.08
Interest and finance charges	738.33	1,089.77
Interest income	(65.05)	(67.39)
Gain on sale of subsidiary	-	(20.53)
Amortisation of Government Grants	(9.84)	(15.03)
Provision for doubtful debts	222.89	17.67
Bad debts	271.49	-
Loss on sale of property, plant & equipment (net)	10.44	5.93
Unrealized foreign exchange gain (net)	(72.39)	(37.47)
Provision for retirement benefits	5.09	(0.48)
Operating profit before working capital changes	**(126.59)**	**1,460.91**
Changes in working capital		
Increase/(decrease) in trade payables	(845.80)	609.11
Increase/(decrease) in other liabilities	73.66	(32.99)
Increase/(decrease) in other financial liabilities	(58.34)	64.93
Increase/(decrease) in provisions	(7.54)	(11.26)
Decrease/(increase) in trade receivables	1,064.27	(215.16)
Decrease/(increase) in inventories	100.14	124.03
Decrease/(increase) in other assets	601.03	(625.49)
Decrease/(increase) in other financial assets	(1.95)	(8.08)
Decrease/(increase) in Loans	39.37	(82.82)
Decrease/(increase) in other cash and cash equivalents	101.81	(70.62)
Cash generated from operations	**940.06**	**1,212.56**
Income tax paid	(25.78)	(9.29)
Net cash inflows from operating activities (A)	**914.28**	**1,203.27**
Cash flows from Investing activities		
Payments for property, plant and equipment and intangible assets (net)	(339.15)	(388.18)
Receipts of Government Grants	-	25.81
Interest received	62.61	69.03
Proceeds from sale of subsidiary	-	20.63
Payments for purchase of Investments	-	(0.01)
Net proceeds from fixed deposits (having original maturity of more than 3 months)	87.78	28.63
Net cash outflow from investing activities (B)	**(188.76)**	**(244.09)**
Cash flows from Financing activities		
Net Proceeds / (Repayment) of borrowings	(112.71)	47.59
Principal elements of lease payments	7.60	-
Interest and finance charges paid	(584.06)	(1,039.45)
Net cash outflow from financing activities (C)	**(704.37)**	**(991.86)**
Net decrease in cash and cash equivalents (A+B+C)	**21.15**	**(32.68)**
Cash and cash equivalents at the beginning of the year	37.53	70.21
Cash and cash equivalents at the end of the year	58.68	37.53
Cash and cash equivalents comprise (refer note 14)		
Balances with banks in current accounts	41.23	34.79
Fixed deposits with maturity of less than 3 months	13.51	0.94
Cash on hand	3.94	1.80
Total	**58.68**	**37.53**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087

Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380

Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346

Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081

Place: Pithampur
Date: July 10, 2020

STANDALONE STATEMENT OF CHANGES OF EQUITY for the Year ended March 2020

(All amounts in Rs. millions, unless otherwise stated)

		As at 31 March 2020		As at 31 March 2019	
(A)	**Equity share capital**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
	Equity shares of Rs.10 each issued, subscribed and fully paid				
	Opening	24.88	248.83	24.88	248.83
	Add: issued during the year	-	-	-	-
	Closing	24.88	248.83	24.88	248.83

(B) Other equity	**Reserves & surplus**			
	Securities premium	**General reserve**	**Retained earnings**	**Total**
Balance as at 1 April 2018	2,055.07	114.24	1,424.55	3,593.86
Loss for the year	-	-	(157.76)	(157.76)
Other comprehensive income / (loss)	-	-	(0.48)	(0.48)
Total comprehensive loss for the year	-	-	(158.24)	(158.24)
Balance as at 31 March 2019	**2,055.07**	**114.24**	**1,266.31**	**3,435.62**
Balance as at 1 April 2019	2,055.07	114.24	1,266.31	3,435.62
Loss for the year	-	-	(1,654.28)	(1,654.28)
Other comprehensive loss	-	-	5.09	5.09
Total comprehensive loss for the year	-	-	(1,649.29)	(1,649.29)
Balance as at 31March 2020	**2,055.07**	**114.24**	**(382.88)**	**1,786.43**

The accompanying Notes are inntegral part of the financial statement

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087

Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380

Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346

Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081

Place: Pithampur
Date: July 10, 2020

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

SIGNIFICANT ACCOUNTING POLICIES

1 General Information

Flexituff Ventures International Limited (“the Company”) is engaged in the business of technical textile. Manufacturing units of the Company are located at Pithampur in Madhya Pradesh and at Kashipur in Uttarakhand. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the Company is located at C-41 50, SEZ, Sector - 3, Pithampur, Madhya Pradesh- 454 775.

These financial statements were authorised for issue by the Board of Directors on July 10, 2020.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following:

i) certain financial assets and liabilities that is measured at fair value.

ii) defined benefit plans -plan assets measured at fair value

(c) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Long-term Interests in Associates and Joint Ventures – Amendments to Ind AS 28, Investments in Associates and Joint Ventures
- Uncertainty over Income Tax Treatments– Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement– Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs

The Company had to change its accounting policies as a result of adopting Ind AS 116. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) Current / non current classification

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

(e) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(f) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millon as per the requirement of Schedule III, unless otherwise stated.

2.2 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Factory Building	30
Leasehold Land	over the period of lease term
Office equipment	5
Plant and machinery	15
Laboratory equipments	5 to 10
Furniture and fixtures	10
Vehicles	8
Computers	3

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under “Intangible assets under development”.

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The

Intangible assets	Estimated useful life
Development assets	5 years
Computer software	3 years
Patents	5 years

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Research and development expenditure

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

Development costs that are directly attributable to the design and testing of identifiable and unique assets controlled by the Company are recognised as intangible assets when the following criteria are met:

'- it is technically feasible to complete the asset so that it will be available for use

- management intends to complete the asset to use it or sell it

- there is an ability to use or sell the asset

- it can be demonstrated how the asset will generate probable future economic benefits

- adequate technical, financial and other resources to complete the development and to use or sell the asset are available and

- the expenditure attributable to the asset during its development can be reliably measured

'Directly attributable costs that are capitalised as part of the asset include employee cost and appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for future use.

Development expenditure that do not meet the above criteria are recognised as expense as incurred. Development costs previously recognised as expense are not recognised as an asset in the subsequent period.

2.5 Impairment of non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.6 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. All exchange differences arising on reporting on foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

In respect of foreign exchange differences arising on restatement or settlement of long term foreign currency monetary items attributable to depreciable assets, the Company has availed the option available in Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

items, wherein foreign exchange differences on account of depreciable asset, are adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.

Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

2.7 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.8 Revenue recognition

Revenue from Sale of Goods and Services

Revenue from sale of goods is recognised when control of the products being sold is transferred to customers and when there are no longer any unfulfilled obligations. The Performance Obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from irrevocable bill and hold contracts is recognised when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the product even though the customer has decided not to exercise its right to take physical possession of that product.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Export benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Focus Market Scheme, Merchandise Exports from India Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes are accounted in the year of export and included under the head `Other operating revenue'.

Interest Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.9 Leases

with effective from 1 April, 2019:

As a Lease

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.10 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided, using the balance sheet approach, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

2.11 Inventories

Raw materials, stores, consumables, work in progress, traded goods and finished goods are valued at the lower of cost and net realisable value.

Cost of raw materials, stores, consumables and traded goods includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.12 Provisions and contigent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.14 Corporate social responsibility (CSR)

Provisions are recognised for all CSR activities undertaken by the Company for which an obligation has arisen during the year and are recognized in Statement of profit on loss on accrual basis. No provision is made against unspent amount, if any.

2.15 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

2.16 Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) **Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

(ii) **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments:

Investments in subsidiaries are recognised at cost as per Ind AS 27 less impairment, if any, except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

All other equity investments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value (currently no such choice is made). The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investment in Limited Liability Partnership (LLP):

Investments in capital of Limited liability partnership (LLP), where the Company has control over these LLP's, are recognised at cost as per Ind AS 27 less impairment, if any.

(iii) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses(ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Trade receivables from customers: The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables.

Debt investments measured at amortised cost and FVOCI: Debt investments at amortised cost and those at FVOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

(a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) **Compound financial instruments**

Compound financial instruments issued by the company which can be converted into fixed number of equity shares for fixed price at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(iv) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.18 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Compensated absences can be encashed only on discontinuation of service by employee.

(c) Post employment obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.19 Earnings per share

Basic earnings per share is calculated 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. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of manufacturing of technical textile. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

2.21 Contributed equity

Equity Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

2.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest millions as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans and other long term benefits (gratuity benefits and compensated absences)

The cost of the defined benefit plans and other long term benefits such as gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis

(c) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(d) Foreign currency convertible bonds (FCCB)

FCCB issued by the company are converted into fixed number of equity shares for fixed price at the option of the holders at fixed rate of exchange. Hence, FCCB issued by the Company is Compound financial instrument and is accounted separately, recognising the liability and the equity components. Based on management estimate, the coupon rate at the time of issue of FCCB is same as coupon rate applicable to comparable liability that does not have an equity conversion option. On initial recognition, the fair value of liability component of FCCB is same as consideration received, resulting in Nil equity component. Hence, entire FCCB is recognised as liability.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Issue of Ind AS 117 – Insurance Contracts - Application of this standard is not expected to have any significant impact on the Company's financial statements.

(b) Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

5 Property, Plant and equipment

	Gross block					Depreciation				Net block	
	As at 1 April 2019	Additions	Exchange Difference	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	As at 31 March 2020	As at 31 March 2020
Owned assets										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Buildings	1,192.62	20.16	19.82	2.07	1,230.53	134.55	46.68	0.24	180.99	1,049.54
Plant and machinery	5,759.69	159.89	107.94	55.25	5,972.27	1,629.55	550.97	46.64	2,133.88	3,838.38
Laboratory equipments	177.08	6.71	1.76	-	185.55	96.09	15.45	-	111.54	74.01
Furniture and fixtures	26.78	2.11	-	-	28.89	14.28	1.98	-	16.26	12.63
Office equipment	24.79	1.19	-	-	25.98	13.14	5.10	-	18.24	7.74
Vehicles	11.95	7.38	-	-	19.33	0.71	3.25	-	3.96	15.37
Computers	12.37	1.10	-	-	13.47	8.54	1.38	-	9.92	3.55
Leased assets										
Leasehold Land	21.50	-	-	-	21.50	0.78	0.26	-	1.04	20.46
Total	**7,388.51**	**198.54**	**129.52**	**57.32**	**7,659.25**	**1,897.64**	**625.07**	**46.88**	**2,475.83**	**5,183.41**

	Gross block					Depreciation				Net block
	As at 1 April 2018	Additions	Exchange Difference	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	As at 31 March 2019	As at 31 March 2019
Owned assets										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Buildings	1,151.17	19.65	21.80	-	1,192.62	88.59	45.96	-	134.55	1,058.07
Plant and machinery	5,570.33	110.25	121.18	42.07	5,759.69	1,104.97	543.20	18.62	1,629.55	4,130.13
Laboratory equipments	181.22	3.68	-	7.82	177.08	80.96	15.13	-	96.09	80.99
Furniture and fixtures	26.25	0.53	-	-	26.78	11.94	2.34	-	14.28	12.50
Office equipment	23.30	1.49	-	-	24.79	8.75	4.39	-	13.14	11.65
Vehicles	15.55	1.63	-	5.23	11.95	0.75	4.08	4.12	0.71	11.24
Computers	9.26	3.11	-	-	12.37	6.20	2.34	-	8.54	3.83
Leased assets										
Leasehold Land	21.50	-	-	-	21.50	0.52	0.26	-	0.78	20.72
Total	**7,160.31**	**140.34**	**142.98**	**55.12**	**7,388.51**	**1,302.68**	**617.70**	**22.74**	**1,897.64**	**5,490.86**

Note:

Refer to Note 22 and 24 for information on property, plant and equipment pledged as security by the Company.

6 Other intangible assets

	Gross block					Amortisation				Net block
	As at 1 April 2019	Additions internally developed	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	As at 31 March 2020	As at 31 March 2020
Other intangible assets										
Patents	0.36	-	-	-	0.36	0.30	0.06	-	0.36	-
Computer software	4.04	-	-	-	4.04	3.44	0.38	-	3.82	0.22
Development asset	633.26	19.84	152.97	-	806.07	209.52	119.50	-	329.02	477.05
Intangible asset under development	152.97	-	-	152.97	-	-	-	-	-	-
Total	**790.63**	**19.84**	**152.97**	**152.97**	**810.47**	**213.26**	**119.94**	**-**	**333.20**	**477.26**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

	Gross block					Amortisation				Net block	
	As at 1 April 2018	Additions internally developed	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	As at 31 March 2019	As at 31 March 2019
Other intangible assets										
Patents	0.36	-	-	-	0.36	0.20	0.10	-	0.30	0.07
Computer software	4.04	-	-	-	4.04	2.33	1.11	-	3.44	0.61
Development asset	371.45	-	261.81	-	633.26	124.35	85.17	-	209.52	423.74
Intangible asset under development	283.47	131.31	-	261.81	152.97	-	-	-	-	152.97
Total	**659.32**	**131.31**	**261.81**	**261.81**	**790.63**	**126.89**	**86.38**	**-**	**213.26**	**577.38**

7 Investment in Subsidiaries and LLPs	31 March 2020	31 March 2019
Investment in subsidiaries		
- Equity instruments at cost (unquoted)		
200,000 (31 March 2019: 200,000) Equity shares of Euro 1 each fully paid-up in Flexiglobal Holding Ltd., Cyprus	12.52	12.52
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid-up in Flexituff Technology International Limited (Formely known as FIBC Limited)	0.10	0.10
Investments in Limited Liability Partnerships (LLPs) through capital contribution at cost:		
Flexituff SA Enterprises LLP	0.08	0.08
Flexituff Javed LLP	0.08	0.08
Flexituff Hi Tech LLP	0.08	0.08
Ujjivan Luit LLP	0.05	0.05
Flexituff Sailendra Kalita LLP	0.08	0.08
Total investment in subsidiaries and LLPs	**12.99**	**12.99**

8 Investments	31 March 2020	31 March 2019
Investment in equity shares at fair value through profit and loss		
Unquoted		
1,100 (31 March 2018: 1,100) Equity Shares of Rs. 10 each fully paid-up in Neemuch Solid Waste Management Private Limited	0.01	0.01
Total investments	**0.01**	**0.01**
Aggregate book value of:		
Unquoted investments	13.00	13.00
Aggregate market value of:		
Unquoted investments	13.00	13.00
Aggregate amount of impairment in value of investments	-	-

9 Non-current financial assets - others	31 March 2020	31 March 2019
Fixed deposits with maturity for more than 12 months from balance sheet date	39.54	127.32
Security deposits	108.86	101.57
Total non-current financial assets - others	**148.40**	**228.89**

10 Non-current tax assets (net)	31 March 2020	31 March 2019
Advance income tax (net)	42.71	39.01
Total non-current tax assets (net)	**42.71**	**39.01**

11 Other non-current assets	31 March 2020	31 March 2019
Capital advance	-	16.88
Balances with government authorities	0.26	0.25
Prepaid expenses	7.48	14.94
Total other non-current other assets	**7.74**	**32.07**

12 Inventories *	31 March 2020	31 March 2019
(valued at lower of cost and net realizable value)		
Raw materials and components	121.28	144.53
Raw materials in transit	1.30	20.83
Work in progress	421.78	562.85
Finished goods	713.44	651.90
Consumables	70.92	57.52
Store and spares parts including packing material	66.65	57.88
	1,395.37	**1,495.51**

*Hypothecated as Charged against borrowings. Refer Note 22 an 24

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

Write-downs of inventories (net of reversal) to net realisable value amounted to Rs. 2.75 million (31 March 2019 – Rs. 1.50 million). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

13	Trade receivables	31 March 2020	31 March 2019
	Trade receivables	2,153.71	2,937.49
	Receivables from related parties (Refer Note 42)	487.22	961.89
	Less: Loss Allowance	(259.38)	(36.49)
	Total trade receivables	**2,381.55**	**3,862.89**
	Break-up of security details		
	Trade receivables considered good – Secured	-	-
	Trade receivables considered good – Unsecured	2,640.93	3,899.38
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables – credit impaired	-	-
	Total	**2,640.93**	**3,899.38**
	Loss allowance	**(259.38)**	**(36.49)**
	Total trade receivables	**2,381.55**	**3,862.89**
	Further classified as :		
	Receivable from related parties	487.22	961.89
	Receivable from others	1,894.33	2,901.00
		2,381.55	**3862.89**

14	Cash and cash equivalents	31 March 2020	31 March 2019
	Balances with banks		
	- in current accounts	41.23	34.79
	- fixed deposits with maturity of less than three months	13.51	0.94
	Cash on hand	3.94	1.80
	Total cash and cash equivalents	**58.68**	**37.53**

15	Bank balances other than cash and cash equivalent	31 March 2020	31 March 2019
	Fixed deposit with maturity for more than three months butless than twelve months from balance sheet date	57.16	158.98
	Unpaid dividend accounts	0.02	0.01
	Total bank balances other than cash and cash equivalent	**57.18**	**158.99**

16	Current financial assets - loans	31 March 2020	31 March 2019
	Unsecured, considered good		
	Loans to related parties (Refer Note 42)	344.22	383.59
	Total current financial assets - loans	**344.22**	**383.59**
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	344.22	383.59
	Loans which have significant increase in credit risk	-	-
	Loans – credit impaired	-	-
	Total Loans	**344.22**	**383.59**

17	Current financial assets - others	31 March 2020	31 March 2019
	Accrued interest	10.20	7.76
	Advance to staff	11.48	8.10
	Advance recoverable in cash	0.94	1.43
	Security deposit	24.01	26.53
	Others	-	5.71
	Total current financial assets - others	**46.63**	**49.53**

18	Current tax Assets	31 March 2020	31 March 2019
	Current tax Assets	38.97	14.58
		38.97	**14.58**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

19	Other current assets	31 March 2020	31 March 2019
	Advance to suppliers	490.69	1,033.27
	Balance with government authorities	576.31	611.33
	Deposits with government authorities	33.35	33.35
	Advance to employees	3.86	8.76
	Prepaid expenses	17.63	11.83
	Total other current assets	**1,121.84**	**1,698.54**
20	**Equity share capital**	**31 March 2020**	**31 March 2019**
	The Company has only one class of equity share capital having a par value , of INR 10 per share referred to herein as equity		
	Authorized		
	40,000,000 (31 March 2019: 40,000,000) Equity Shares of Rs.10 each	400.00	400.00
	Total	**400.00**	**400.00**
	Issued, subscribed and paid up		
	24,882,806 (31 March 2019: 24,882,806) equity shares of Rs.10 each fully paid	248.83	248.83
	Total	**248.83**	**248.83**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year	31 March 2020		31 March 2019	
	Number of shares in millions	Amount	Number of shares in millions	Amount
Outstanding at the beginning of the year	24.88	248.83	24.88	248.83
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**24.88**	**248.83**	**24.88**	**248.83**

b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2019: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company Name of the shareholder	31 March 2020		31 March 2019	
	Number of shares in millions	% of holding in the class	Number of shares in millions	% of holding in the class
1. Kalani Industries Pvt Ltd	3.62	14.55%	3.62	14.55%
2. International Finance Corporation	1.90	7.64%	1.90	7.64%
3. Saurabh Properties Pvt Ltd	1.64	6.59%	1.64	6.59%
4. Miscellani Global Pvt Ltd	1.36	5.47%	1.36	5.47%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

21 Other equity	31 March 2020	31 March 2019
Securities premium	2,055.07	2,055.07
General reserve	114.24	114.24
Retained earnings	(382.88)	1,266.31
Total other equity	1,786.43	3,435.62

Nature and purpose of other reseves

Securities premium	Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
General reserve	The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.
Retained earnings	All other net gains, losses and transactions with owners (eg: dividends) not recognised elsewhere.

(a) Securities premium	31 March 2020	31 March 2019
Opening balance	2,055.07	2,055.07
Add : Securities premium credited on share issue	-	-
Closing balance	**2,055.07**	**2,055.07**
(b) General reserve		
Opening balance	114.24	114.24
Addition during the year	-	-
Closing balance	**114.24**	**114.24**
(c) Retained earnings		
Opening balance	1,266.31	1,424.55
Add: Net loss for the year	(1,654.28)	(157.76)
Less: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	5.09	(0.48)
Closing balance	(382.88)	1,266.31
Total other equity	**1,786.43**	**3,435.62**

22 Non-current borrowings	31 March 2020	31 March 2019
Secured		
- Term loans		
From banks (refer note (a) and (c) below)	2.39	5.64
From other parties (refer note (a) and (c) below)	157.50	783.89
	159.89	**789.53**
Unsecured		
Foreign Currency Convertible Bonds (refer note (b) below)	-	1,400.72
- Other loans		
From a related party	-	550.00
From other parties	28.05	118.30
	28.05	**2,069.02**
Total long term borrowings	**187.94**	**2,858.55**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

a. Terms of secured borrowings are as under:

Description	Rate of interest	As at 31 March, 2020 (Rs. In Millions)	As at 31 March, 2019 (Rs. In Millions)	Terms of Repayment
Term loans from Banks				
Central bank of India	13.75% (31 March 2019 : 13.90%)	35.16	61.70	There was default in repayment of last three instalments aggregating to Rs. 35.16 million.This amount is overdue and payable to Central Bank of India.
Vehicle loan from Banks	9% to 11% (31 March 2019 : 9% to 11%)	3.50	8.65	Repayable in equated monthly instalments
Term loans from other parties				
KKR India Financial Services Private Limited, Mumbai	15.25% (31 March 2019 : 15.25%)	800.76	1,000.50	During the year ended March 31, 2020 the Company has deafulted in repayment of four instalments aggregating to Rs. 299.76 million. Consequent to said defaults, the entire outstanding of Rs. 800.76 million is classified as due as per the terms of agreement and demand from KR India Financial Services Private Limited
IFCI Limited	15.40% (31 March 2019 : 13.15%)	410.00	464.97	During the year ended March 31, 2020 the Company has defaulted in repayment of three instalments aggregating to Rs. 105 million. This amount is overdue and payable to IFCI Limited. In addition to this deafult, it is payable in one quarterly instalment of Rs. 35 million and thereafter in four quarterly instalment of Rs. 37.50 million each and thereafter in three quarterly instalment of Rs. 40 million each. Date of last instalment is March 15, 2022.
Total	**1,249.43**	**1,535.82**		
Less: Unamortised processing cost	**10.39**	**22.52**		
Less: Classified under current liabilities	**1,079.15**	**723.77**		
	159.89	**789.53**		

b. Terms of unsecured borrowings are as under:

I) **i) Foreign currency convertible bond**

(i) As at 31 March 2020, the Company has two foreign currency convertible bonds aggregating USD 31.5 million (31 March 2019 : USD 31.5 million):

ii) The Company had issued 9,000, 5.34% foreign currency convertible bond ('FCCB') of USD 1,000 each aggregating to USD 9 million on 24 December 2013 to International Finance Corporation ('bondholder'). The bonds were convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 230 per share, subject to terms of issue, with fixed rate of exchange of Rs. 61.86 equal to USD 1 on January 30, 2019. The conversion option has not been exercised by the bondholder.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

ii) The Company had issued 25,000, 5.44% foreign currency convertible bond ('FCCB') of USD 1,000 each aggregating to USD 25 million on 26 April 2013 to TPG Growth II SF Pte. Ltd ('bondholder'). The bonds were convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to terms of issue, with fixed rate of exchange of Rs. 54.16 equal to USD 1 on April 26, 2018. During the previous year, the bondholder had provided extension for repayment of said bonds based on revised terms and conditions. The outstanding bonds are convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to revised terms, with fixed rate of exchange of Rs. 54.16 equal to USD 1 up to 24 June 2022. During the previous year the interest rate has been revised from 5.44% to 6.94% p.a.

Description / FCCB Repayment Revised Timeline	Amount in USD in Millions
Repaid during previous year ended 31 March 2020	2.500
30-06-2019 (Defaulted)	1.125
31-12-2019 (Defaulted)	1.125
30-Jun-20	2.250
31-Dec-20	2.250
30-Jun-21	4.500
31-Dec-21	5.625
30-Jun-22	5.625

Consequent to default in repayment of above instalments as on 30 June 2019 and 31 December 2019; the entire loan outstanding of USD 22.50 millions has been classified as current

ii Other loans

Other loans are repayable over monthly instalments up to September 30, 2022 and has rate of interest ranging from 13% to 15% p.a.

c. Nature of security :

Term loans from banks and term loans from other parties are secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets and a second charge on all current assets of the company. Above Term loans are further secured by Personal Guarantee of Mr. Saurabh Kalani, Mr. Manish Kalani, corporate guarantee of Kalani Industries Private Limited.

Fourteen third parties have pledged their shareholding in the Company aggregating to 9,751,107 shares against term loans from banks and term loans from other parties. One related party has pledged its shareholding in the Company aggregating to 3,621,730 shares against foreign currency convertible bonds.

d. Period and amount of default:

During the year ended March 31, 2020 the Company has defaulted in repayment of following dues:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

Name of Lenders	Principal default in Rs. Millions as at March 31, 2020	Default in interest Rs. Millions as at March 31, 2020 (net of TDS and interest reversal adjustment as per Note 53)	Period of default since
Financial Institution:			
1. KKR India Financial Services Private Limited	299.76	-	May, 2019
2. IFCI Limited	105.00	47.06	July, 2019
3. IFCI Venture Capital Funds Ltd.	22.08	2.74	December, 2019
4. Tata Capital	2.60	1.15	October, 2019
5. TPG Growth II SF Pte. Ltd.	169.62	97.03	December, 2018
5. International Finance Corporation	678.47	5.51	January, 2019
Bank:			
Central Bank of India	35.17	3.48	August, 2019

23 Long term provisions	31 March 2020	31 March 2019
Provision for employee benefits		
Provision for gratuity (funded) (refer note 40)	23.65	31.26
Provision for compensated absences (unfunded)	22.19	22.43
Total long term provisions	**45.84**	**53.69**

24 Short-term borrowings	31 March 2020	31 March 2019
Secured		
Working capital demand loan from banks, cash credit and packing credit (refer note below)	3,289.30	2,468.67
Bills discounted with banks	-	50.79
Unsecured		
From other parties (refer note below)	5.40	42.35
Bills discounted	82.28	88.11
Total short-term borrowings	**3,376.98**	**2,649.92**

a. Terms and conditions of loans:

i. Outstanding loans from banks carry interest from 9% to 14% p.a., repayable on demand.

ii. Outstanding loans from other parties carry interest ranging from 12% to 15% p.a., repayable within 90 to 120 days.

b. Nature of security

i. Outstanding loans are secured by first charge on all current assets viz. raw material, stores & spares, work-in-progress, finished goods and book debts & second charge on all fixed assets of the Company.

ii. Outstanding loans are further secured by personal guarantee of Mr. Manish Kalani and corporate guarantee of Kalani Industries Private Limited.

iii. Outstanding loans are further secured by personal guarantee of Mr. Saurabh Kalani, director of the Company.

c. Period and amount of default:

The Company has devolved Letter of Credit issued by banks. Such devolvement has resulted in over utilisation of cash credit facilities by Rs.1,014.69 million (including interest) based on drawing power sanctioned by banks in February 2020. Bank-wise details of devlolvement is given below:

Name of Bank	Over-utilisation of Cash Credit in Rs. Millions as at March 31, 2020	Period of default Since
1. Central Bank of India	329.79	August, 2019
2. Punjab National Bank	425.79	September, 2019
3. Bank of Baroda	259.61	September, 2019
Total	1,014.69	-

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

25 Trade payables	31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,656.56	2,502.36
Total trade payables	**1,656.56**	**2,502.36**

*** The Company does not have any dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:**

	31 March 2020	31 March 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

26 Other financial liabilities	31 March 2020	31 March 2019
Current maturities of long-term debt	3,586.43	1,755.59
Interest accrued but not due on borrowings	260.73	106.46
Unpaid dividend	0.02	0.01
Employee related payable	209.32	273.27
Government grants #	0.94	10.78
Employee Security Deposits	4.63	15.75
Others	21.95	5.23
Total other financial liabilities	**4,084.02**	**2,167.09**

# Government Grants	31 March 2020	31 March 20189
Opening balance	10.78	-
Grants received during the year	-	25.81
Less: Reclassed to profit or loss	(9.84)	(15.03)
Closing balance	**0.94**	**10.78**

27 Short term provisions	31 March 2020	31 March 2019
Provision for employee benefits		
Provision for compensated absences (unfunded)	2.30	1.99
Total short term provisions	**2.30**	**1.99**

28 Other current liabilities	31 March 2020	31 March 2019
Statutory dues payable	67.50	32.67
Advance received from customers	139.20	95.44
Total other current liabilities	**206.70**	**128.11**

29 Revenue from operations	31 March 2020	31 March 2019
Sale of products		
- Finished goods	7,603.29	10,750.62
- Traded goods	723.72	443.29
Sale of services	231.53	140.59
Other operating revenue	169.08	413.63
Total revenue from operations	**8,727.62**	**11,748.13**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

Details of products sold	31 March 2020	31 March 2019
Finished goods sold		
Technical textile	7,603.29	10,750.62
Traded goods sold		
Fabrics & granules	723.72	443.29
Unsatisfied long-term contracts		
There are no unsatisfied long term contracts / performance obligation that have impact an financial statements.		
Reconciliation of revenue recognised:		
Gross revenue	8,584.00	11,365.32
Adjustment for:		
Less : Sales return	25.46	30.82
Less : Discounts / Incentives	-	-
Revenue from operations	8,558.54	11,334.50

30. Other income	31 March 2020	31 March 2019
Interest income on financial assets at amortisation cost - fixed deposits	65.05	67.39
Other non operating income	25.34	48.78
Foreign exchange gain (net)	99.85	137.66
Government grants #	9.84	15.03
Total other income	**200.08**	**268.86**

Government grants are related to Uttar Pradesh Skill Development Mission (Government of Uttar Pradesh, Department of Vocational Education and Skill Development) for placement linked skill development project under Deen Dayal Upadhyaya Grameen Kaushalya Yojna. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.

31	Cost of material consumed	31 March 2020	31 March 2019
(a)	**Raw materials consumed**		
	Inventory at the beginning of the year	165.345	125.35
	Add : Purchases during the year	3,811.73	5,207.66
	Less: Inventory at the end of the year	(122.58)	(165.36)
	Cost of raw material consumed	**3,854.51**	**5,167.65**
(b)	**Consumables consumed**		
	Inventory at the beginning of the year	57.52	127.93
	Add : Purchases during the year	1,376.40	1,199.96
	Less: Inventory at the end of the year	(70.57)	(57.52)
	Cost of consumables consumed	1,363.34	1,270.37
	Total cost of material consumed (a+b)	**5,217.85**	**6,438.02**
	Details of material consumed		
	Polymer granules	3854.51	5,167.65
	Yarn	251.33	340.20
	Others	1112.01	930.17
	Total	**5,217.85**	**6,438.02**

32	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31 March 2020	31 March 2019
	Inventories at the beginning of the year		
	-Finished goods	651.90	1,073.26
	-Work-in-progress	562.84	267.90
		1,214.74	**1,341.16**
	Less: Inventories at the end of the year		
	-Finished goods	713.44	651.90
	-Work-in-progress	421.78	562.84
		1,135.21	1,214.74
	Net decrease	**79.53**	**126.42**

33	Employee benefits expense	31 March 2020	31 March 2019
	Salaries, wages, bonus and other allowances	1574.78	1,758.22
	Contribution to provident and other funds	118.72	124.58
	Gratuity expenses (refer note 40)	23.07	26.92
	Staff welfare expenses	53.44	54.02
	Total employee benefits expense	**1,770.01**	**1,963.74**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

		31 March 2020	31 March 2019
34	**Finance costs**	**31 March 2020**	**31 March 2019**
	Interest expense		
	- On borrowings	738.33	936.53
	- On foreing currency convertible bonds	-	153.24
	Total finance costs	**738.33**	**1,089.77**
35	**Depreciation and amortization expense**	**31 March 2020**	**31 March 2019**
	Depreciation (refer note 5)	625.07	617.70
	Amortization (refer note 6)	119.94	86.38
	Total depreciation and amortization expense	**745.01**	**704.08**
36	**Other expenses**	**31 March 2020**	**31 March 2019**
	Consumption of store & spares parts	99.03	130.11
	Power and fuel	352.91	358.23
	Rent	19.42	39.27
	Repairs and maintenance	24.81	22.77
	Job work charges	113.45	235.69
	Insurance	28.12	21.66
	Rates and taxes	3.21	6.54
	Freight outward	239.18	324.15
	Travelling expenses	63.41	67.02
	Auditor's remuneration (refer note below)	5.09	4.38
	Printing and stationery	4.32	5.37
	Communication expenses	15.68	14.96
	Legal and professional charges	59.09	72.76
	Advertisement and publicity	50.40	28.03
	Commission on sales	14.47	18.87
	Loss on sale of property, plant & equipment (net)	10.44	5.93
	Provision for doubtful debts	222.89	17.67
	Bad debts written off	271.49	-
	Corporate social responsibility (CSR)	0.03	0.80
	Miscellaneous expenses	58.75	94.62
		1,656.19	**1,468.83**

Note : The following is the break-up of Auditors remuneration (exclusive of applicable Taxes)

		31 March 2020	31 March 2019
	As auditor:	**31 March 2020**	**31 March 2019**
	Statutory audit fees	2.80	2.94
	Limited review	1.53	0.70
	Tax audit fees	0.30	0.65
	Classification of Other services	0.35	-
	Reimbursement of expenses	0.11	0.09
		5.09	**4.38**
37	**Income tax**	**31 March 2020**	**31 March 2019**
(A)	**Deferred tax relates to the following:**		
	Deferred tax liabilities		
	On property, plant and equipment	634.94	672.28
	On unamortised transaction cost on borrowings	2.34	3.84
	On right of use assets	4.96	-
		642.24	**676.12**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

Deferred tax assets		
On provision for employee benefits	(7.64)	(30.29)
On provision for doubtful debts	(80.93)	(11.39)
On unabsorbed depreciation and carry forward business losses	(697.25)	(301.54)
On capital losses	(16.94)	(16.94)
On lease obligation	(5.32)	-
	(808.08)	**(360.16)**
Deferred tax (assets)/liabilities net*	-	315.96
Minimum Alternative Tax (MAT) entitlement#	(279.76)	(279.76)
Total Deferred tax liabilities net	**(279.76)**	36.20

* As per Ind-AS 12, Deferred Tax Asset shall be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company has net deferred tax asset situation on account of accumulated losses and in absence of reasonable certainty to generate adequate taxable income in near future to set-off the accumulated losses, the Company has not recognised deferred tax asset.

The Company is carrying MAT credit as a deferred tax asset aggregating to Rs. 2,797.69 lakhs which is available for offset between five to fifteen years. Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the MAT credit within the time limit prescribed under the Income Tax Act, 1961. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax recognised towards MAT credit.

(B) Deferred tax charge / (benefit) to be recognized in Statement of Profit and Loss	**31 March 2020**	**31 March 2019**
Deferred tax liabilities (net)	-	315.96
Less: Opening Deferred tax liabilities	(315.96)	(379.82)
Less: Others	(0.01)	-
Add: Deferred tax impact on other comrehensive income	(2.31)	0.22
Deferred Tax charge / (benefit) for the year (A)	**(318.28)**	**(63.64)**
Minimum Alternative Tax (MAT) entitlements:		
Closing balances	(279.76)	(279.76)
Less: Opening balances	(279.76)	(279.50)
MAT credit for the year (B)	**-**	**(0.26)**
Net impact on Statement of profit & loss (A+B)	**(318.28)**	**(63.90)**

(C) Income tax expense / (credit)	**31 March 2020**	**31 March 2019**
Current tax (MAT)	-	-
Less: MAT credit entitlement	-	-
MAT charge of previous year	-	0.26
Less: MAT credit entitlement for earlier year	-	(0.26)
Income Tax charge of previous years	-	5.75
Deferred tax charge /(benefit) (excluding MAT credit entitlement)	(318.28)	(63.64)
Total	**(318.28)**	**(57.89)**

(D) Reconciliation of effective tax rate

Due to unabsorbed losses and depreciation under income tax and MAT, no tax charge is recognised in the current and previous year. Since effective tax rate is Nil, numerical reconciliation between average effective rate and applicable tax rate is not given.

38 Loss per share	**31 March 2020**	**31 March 2019**
Loss attributable to equity holders	(1,654.28)	(157.76)
Add: Interest on Foreign currency convertible bonds*	-	-
Loss attributable to equity holders adjusted for the effect of dilution	1654.28	(157.76)
Weighted average number of equity shares for basic loss per share	24.88	24.88
Effect of dilution:		
Foreign currency convertible bonds (anti dilutive)	-	-
Weighted average number of equity shares adjusted for the effect of dilution	24.88	24.88
Basic loss per share (INR)	66.49	(6.34)
Diluted loss per share (INR)	66.49	(6.34)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

*The Company has Foreign currency convertible bonds as potential equity shares, which have been ignored in calculating diluted earning per share since conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities as these are anti-dilutive in nature.

39	Contingent liabilities, Contingent assets and Commitments	31 March 2020	31 March 2019
	Contingent liabilities		
	Corporate guarantees given on behalf of:		
	- Related party	950.00	950.00
	- Other	20.11	20.11
	Disputed Demands		
	- Income Tax	123.94	97.77
	- Sales tax / VAT	58.27	58.27
	- Entry tax	13.89	13.89
	- Customs and Excise	32.91	12.78
	Total contingent liabilities	**1,199.11**	**1,152.82**

Note:

1. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
2. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Contingent assets

Contingent assets as on 31 March 2020: Nil (31 March 2019: Nil)

Commitments	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	15.54

40	Employee benefits	31 March 2020	31 March 2019
	The Company has the following employee benefit plans:		
(A)	Defined Contribution Plans: Employers' Contribution to Provident Fund and Employee State Insurance		
	Expense recognised during the year	118.72	124.58
(B)	Defined benefit plan: Gratuity payable to employees		
	Expense recognised during the year	23.07	26.92
i)	**Actuarial assumptions**	**31 March 2020**	**31 March 2019**
	Discount rate (per annum)	6.80%	7.66%
	Rate of increase in Salary	3.00%	4.00%
	"Expected average remaining working lives of employees (years) "	24.90	26.72
	Attrition rate		
	-upto 30 years	3%	3%
	-31 to 44 years	2%	2%
	-above 44 years	1%	1%

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

ii)	Changes in the present value of defined benefit obligation	Employee's gratuity fund	
		31 March 2020	31 March 2019
	Present value of obligation at the beginning of the year	121.82	98.45
	Current service cost	20.68	23.65
	Interest cost	9.33	7.59
	Benefits paid	(18.37)	(7.15)
	Actuarial (gain)/ loss on obligations	(9.99)	(0.72)
	Present value of obligation at the end of the year	**123.47**	**121.82**

		Employee's gratuity fund	
iii)	Change in the fair value of plan assets:	31 March 2020	31 March 2019
	Opening fair value of plan assets	90.56	56.11
	Expected return on plan assets	6.94	4.33
	Contributions by employer	23.28	38.69
	Benefits paid	(18.37)	(7.15)
	Actuarial (losses)/ gains	(2.59)	(1.42)
	Closing fair value of plan assets	**99.81**	**90.56**

iv)	Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
		31 March 2020	31 March 2019
	Liabilities at the end of the year	123.47	121.82
	Fair value of plan assets at the end of the year	(99.81)	(90.56)
	Liabilities recognised in the Balance Sheet (Classified as Non Current, Refer Note 23)	23.65	31.26

		Employee's gratuity fund	
v)	Actual return on plan assets:	31 March 2020	31 March 2019
	Expected return on plan assets	6.94	4.33
	Actuarial (losses)/ gains on plan assets	(2.59)	(1.42)
	Actual return on plan assets	**4.34**	**2.91**

vi)	Expense recognized in the Statement of Profit and Loss consist of:	Employee's gratuity fund	
	Employee benefits expense	31 March 2020	31 March 2019
	Current service cost	20.68	23.65
	Interest cost	2.40	3.26
	Total expenses**	23.07	**26.92**

**Included in employee benefit expenses (Refer note 33)

		Employee's gratuity fund	
	Other comprehensive income	31 March 2020	31 March 2019
	Actuarial gain / (loss) for the year on obligations	9.99	0.72
	Actuarial gain /(loss) for the year on plan assets	(2.59)	(1.42)
	Total actuarial gain /(loss)	7.40	(0.69)
	Total expense recognised in Statement of profit and loss	**15.67**	**27.61**

vii)	Expected contribution to the fund in the next year	31 March 2020	31 March 2019
	Gratuity	25.36	31.18

viii)	A quantitative sensitivity analysis for significant is as shown below:	Employee's gratuity fund	
		31 March 2020	31 March 2019
	Impact on defined benefit obligation		
	Discount rate		
	0.5% increase	(6.78)	(7.06)
	0.5% decrease	7.43	7.76
	Rate of increase in salary		
	0.5% increase	7.62	7.92
	0.5% decrease	(7.00)	(7.28)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

ix)	Maturity profile of defined benefit obligation	Employee's gratuity fund	
	Year	**31 March 2020**	**31 March 2019**
	0 to 1 Year	7.78	6.10
	1 to 2 Year	5.17	1.62
	2 to 3 Year	3.56	2.40
	3 to 4 Year	3.34	4.05
	4 year onwards	103.62	107.65
		123.47	121.82
x)	**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**	**31 March 2020**	**31 March 2019**
	Particulars		
	Insurance policy with LIC Life Insurance (%)	100.00%	100.00%

41 Leases

Operating leases where Company is a lessee:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company has adopted Ind AS 116 ""Leases"" and applied the same to all lease contracts existing in force as on April 01, 2019 using the modified retrospective approach with right-of-use assets recognized at an amount equal to adjusted lease liability viz. Rs. 49.53 million as at April 01, 2019. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption on the loss for the year ended March 31, 2020 is not significant and has been given effect in these financial statements. There is no effect of applying the standard to retained earnings.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation and amortisation cost for the right-to-use asset, and finance cost for interest accrued on lease liability in the current period.

The Company continues to account for leases with term of twelve months or less as a operating lease and lease rentals for the same are accounted as expenses.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	**31 March 2020**	**31 March 2019**
Buildings	15.92	-
Total	15.92	-
Lease Liabilities	**31 March 2020**	**31 March 2019**
Current	4.86	-
Non - Current	12.19	-
Total	17.05	-

(ii) Amounts recognised in the statement of profit and loss
The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		**31 March 2020**	**31 March, 2019**
Buildings		8.73	-
Total		**8.73**	**-**
	Notes	**31 March 2020**	**31 March, 2019**
Interest expense (included in finance costs)	34	5.53	-
Expense relating to short-term leases (included in other expenses)	36	19.42	-
Total		**24.95**	**-**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

42 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Subsidiaries

i. Flexiglobal Holdings Ltd., Cyprus
ii. Flexiglobal (UK) Limited (subsidiary of Flexiglobal Holding Ltd.)
iii. Nanofil Technologies Private Limited (upto 30 April 2018)
iv. Flexituff Technology International Limited (formerly known as Flexituff FIBC Limited)
v. Flexituff S.A. Enterprises LLP
vi. Flexituff Javed Ahmed LLP
vii. Flexituff Hi-Tech LLP
viii. Flexituff Sailendra Kalita LLP
ix. Ujjivan LUIT LLP
x. Budheswar Das Flexituff International Limited JV
xi. Vishnu Construction Flexituff International Limited JV
xii. Mayur Kartick Barooah Flexituff International Limited JV
xiii. Sailendra Kalita JV
xiv. Pulin Borgohain JV
xv. Sanyog Enterprises Flexituff International Limited JV

Trust

i. Flexituff Ventures Int. Employees Group Gratuity Trust

Entities over which Key Management Personnel and their relatives have significant influence

i. Kalani Industries Pvt Ltd.
ii. Ecstasy Heights LLP
iii. Venetian Realty LLP
iv. Ambika Commercial LLP
v. Rising Sun Properties LLP
vi. Chitrakoot Mercantiles LLP
vii. Wanderland Real Estate Pvt Ltd
viii. Herbal Dream Ayurveda Creations Private Limited
ix. Indore Land & Finance Private Limited

Key Management Personnel

i. Mr. Saurabh Kalani, (Whole Time Director)
ii. Mr. Mahesh Sharma (Chief Executive Officer & Whole Time Director upto 30 May 2018)
iii. Mr. Ajay Mundra (Chief Financial officer upto May 15, 2020)
iv. Mr. Anand Khandelwal (Whole-Time Director)
v. Ms. Khushboo Kothari (Company Secretary)
vi. Mr. Bhuwan Modi (Independent Director upto 14 November 2019)
vii. Mr. Anirudh Sonpal (Chairman)
viii. Ms. Alka Sagar (Non Executive Woman Director)
ix. Mr. Ashish Jamidar (Whole-Time Director upto 30 September 2019)
x. Mr. Dharmendra Pawar (Independent Director joined w.e.f 14 February 2020)

Relatives of Key Management Personnel

i. Mrs. Padma Kalani (Mother of Mr. Saurabh Kalani)
ii. Mr. Manish Kalani (Brother of Mr. Saurabh Kalani)
iii. Mr. Kartikeya Kalani (Son of Mr. Saurabh Kalani)
iv. Mrs. Devakshi Kalani (Daughter in Law of Mr. Saurabh Kalani)
v. Mr. Vinayak Kalani (Son of Mr. Saurabh Kalani)
vi. Mrs. Manju Mundra (Wife of Mr. Ajay Mundra)
vii. Mrs. Arni Jamidar (Wife of Mr. Ashish Jamidar)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

(B) Details of transactions with related party in the ordinary course of business for the year ended:		31 March 2020	31 March 2019
(I)	**Sale of goods**		
	Nanofil Technologies Private Limited	-	32.65
	Flexituff SA Enterprises LLP	24.09	198.96
	Budheswar Das Flexituff International Limited JV	-	3.47
	Flexituff Sailendra Kalita JV	2.07	40.20
	Flexituff Pulin Borgohain JV	-	3.45
	Wanderland Real Estate Pvt Ltd	747.08	1,021.96
	Total	**773.24**	**1,300.68**
(ii)	**Purchase of goods**		
	Nanofil Technologies Pvt. Ltd.	-	7.91
	Ujjivan LUIT LLP	-	13.06
	Wanderland Real Estate Pvt Ltd	-	0.28
	Herbal Dream Ayurveda Creations Private Limited		0.31
	Total	**-**	**21.56**
(iii)	**Recovery of expenses**		
	Nanofil Technologies Pvt. Ltd (Rent and Power)	-	0.15
(iv)	**Rent expenses**		
	Kalani Industries Private Limited	0.85	0.85
	Herbal Dream Ayurveda Creations Private Limited	0.69	1.15
	Mr. Manish Kalani	0.29	0.29
	Mrs. Padma Kalani	0.18	0.20
	Total	**2.01**	**2.49**
(v)	**Salaries, wages, bonus and other allowances**		
	Mr. Kartikeya Kalani	6.15	6.32
	Mr. Ajay Mundra	3.67	3.67
	Mrs. Manju Mundra	1.72	1.73
	Mrs. Devakshi Kalani	1.62	2.63
	Mrs. Arni Jamidar	3.54	1.12
	Mrs. Khushboo Kothari	0.89	0.69
	Total	**17.59**	**16.16**
(vi)	**Managerial remuneration**		
	Mr. Saurabh Kalani2.84	2.58	2.97
	Mr. Mahesh Sharma	-	1.78
	Mr. Ashish Jamidar	2.15	1.26
	Mr. Anand Khandelwal	1.01	1.12
	Total	**6.01**	**7.13**
(vii)	**Sitting Fees**		
	Ms. Alka Sagar	0.05	0.04
	Mr. Anirudh Sonpal	0.05	0.04
	Mr. Bhuwan Modi	0.04	0.04
	Mr. Dharmendra Pawar	0.01	-
	Total	**0.15**	**0.12**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

		31 March 2020	31 March 2019
(viii)	**Interest income**		
	Flexi global Holdings Limited	0.60	0.55
	Flexituff Javed Ahmed LLP	18.95	18.00
	Flexituff Hi-Tech LLP	3.25	2.88
	Flexituff SA Enterprises LLP	9.68	9.09
	Flexituff Sailendra Kalita LLP	0.68	1.07
	Ujjivan LUIT LLP	0.49	1.79
	Budheswar Das Flexituff International Limited JV	2.10	1.90
	Vishnu Construction Flexituff International Limited JV	0.13	0.13
	Sanyug Enterprise Flexituff International Limited JV	0.00	0.00
	Mayur Kartick Barooah Flexituff International Limited JV	0.43	0.45
	Flexituff Pulin Borgohain JV	0.21	0.13
	Flexituff Sailendra Kalita JV	2.45	1.72
	Total	**38.97**	**33.37**
(ix)	**Loans and advances given**		
	Flexituff SA Enterprises LLP	10.67	9.25
	Flexituff Hi-Tech LLP	7.91	3.18
	Flexituff Pulin Borgohain JV	1.12	1.37
	Flexituff Sailendra Kalita JV	3.48	20.98
	Budheswar Das Flexituff International Limited JV	3.54	4.22
	Flexiglobal Holding Limited	1.66	-
	Vishnu Construction Flexituff International Limited JV	0.20	-
	Sanyug Enterprise Flexituff International Limited JV	0.03	-
	Flexituff Technology International Limited	-	0.84
	Flexituff Javed Ahmed LLP	-	39.94
	Flexituff Sailendra Kalita LLP	-	1.21
	Ujjivan LUIT LLP	-	1.93
	Mayur Kartick Barooah Flexituff International Limited JV	-	1.10
	Total	**28.61**	**84.01**
(x)	**Loans and advances given repaid**		
	Flexituff Javed Ahmed LLP	49.59	-
	Flexituff Sailendra Kalita LLP	2.92	-
	Ujjivan LUIT LLP	14.09	-
	Flexituff Technology International Limited	0.50	-
	Mayur Kartick Barooah Flexituff International Limited JV	0.88	-
	Vishnu Construction Flexituff International Limited JV	-	1.45
	Sanyug Enterprise Flexituff International Limited JV	-	0.01
	Total	**67.97**	**1.46**
(xi)	**Loan taken during the year**		
	Wanderland Real Estate Pvt Ltd	-	664.66
(xii)	**Loan repaid during the year**		
	Wanderland Real Estate Pvt Ltd	664.66	
(xiii)	**Security Deposit given**		
	Herbal Dream Ayurveda Creations Private Limited	-	1.50
	Indore Land & Finance Private Limited	0.55	-
(xiv)	**Security Deposit repaid**		
	Herbal Dream Ayurveda Creations Private Limited	0.46	-
(xv)	**Employee Security Deposits taken**		
	Mr. Ajay Mundra	-	3.65
	Mrs. Manju Mundra	-	1.70
	Mr. Kartikeya Kalani	4.63	-
	Total	**4.63**	**5.35**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

		31 March 2020	31 March, 2019
(viii)	**Employee Security Deposits repaid**		
	Mr. Ajay Mundra	3.65	-
	Mrs. Manju Mundra	1.70	-
	Total	**5.35**	**-**
(xvi)	**Travelling Advances given during the year (net)**		
	Mr. Saurabh Kalani	1.06	0.56
	Mr. Kartikeya Kalani	2.22	-
	Total	**3.28**	**0.56**
(xvii)	**Employee Salary Advances given during the year (net)**		
	Mr. Saurabh Kalani	0.80	-
	Mr. Ajay Mundra	0.34	-
	Mr. Anand Khandelwal	0.06	-
	Mrs. Khushboo Kothari	0.01	-
	Total	**1.20**	**-**
(xviii)	**Other Receivables (net)**		
	Flexiglobal Holding Limited	0.60	-
(c)	**Amount due to/from related party as on:**		
(I)	**Non current investments**		
	Flexiglobal Holding Ltd., Cyprus	12.52	12.52
	Flexituff Technology International Limited	0.10	0.10
	Flexituff SA Enterprises LLP	0.08	0.08
	Flexituff Javed Ahmed LLP	0.08	0.08
	Flexituff Hi-Tech LLP	0.08	0.08
	Flexituff Sailendra Kalita LLP	0.08	0.08
	Ujjivan LUIT LLP	0.05	0.05
	Total	**12.99**	**12.99**
(ii)	**Trade payables**		
	Ujjivan LUIT LLP	0.58	15.41
	Kalani Industries Private Limited	1.88	1.03
	Herbal Dream Ayurveda Creations Private Limited	-	0.02
	Mr. Manish Kalani	0.79	0.50
	Mrs. Padma Kalani	0.66	0.48
	Total	**3.91**	**17.44**
(iii)	**Loans**		
	Flexituff Javed Ahmed LLP	126.36	175.95
	Flexituff Hi-Tech LLP	34.09	26.18
	Flexituff SA Enterprises LLP	90.38	79.71
	Flexiglobal Holding Limited	21.04	19.38
	Flexituff Sailendra Kalita LLP	5.52	8.44
	Ujjivan LUIT LLP	-	14.09
	Budheswar Das Flexituff International Limited JV	26.16	22.62
	Sanyug Enterprise Flexituff International Limited JV	0.03	-
	Vishnu Construction Flexituff International Limited JV	1.62	1.42
	Flexituff Technology International Limited	0.34	0.84
	Flexituff Pulin Borgohain JV	3.08	1.96
	Mayur Kartick Barooah Flexituff International Limited JV	4.56	5.44
	Flexituff Sailendra Kalita JV	31.04	27.56
	Total	**344.22**	**383.59**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

		31 March 2020	31 March, 2019
iv)	**Salary Advances**		
	Mr. Saurabh Kalani	0.80	-
	Mr. Ajay Mundra	0.34	-
	Mr. Anand Khandelwal	0.06	-
	Mrs. Khushboo Kothari	0.01	-
	Total	**1.21**	**-**
(v)	**Travelling Advances**		
	Mr. Saurabh Kalani	1.66	0.60
	Mr. Kartikeya Kalani	2.22	-
	Total	**3.88**	**0.60**
(vi)	**Loan Outstanding**		
	Wanderland Real Estate Pvt Ltd	-	664.66
(vii)	**Security Deposit given**		
	Herbal Dream Ayurveda Creations Private Limited	1.04	1.50
	Indore Land & Finance Private Limited	0.55	-
	Total	**1.59**	**1.50**
(viii)	**Employee Security Deposits taken**		
	Mr. Ajay Mundra	-	3.65
	Mrs. Manju Mundra	-	1.70
	Mr. Kartikeya Kalani	4.63	-
	Total	**4.63**	**5.35**
(ix)	**Other receivables**		
	Flexiglobal Holding Limited	4.38	3.78
(x)	**Trade receivables**		
	Flexituff Sailendra Kalita LLP	13.00	13.00
	Flexituff SA Enterprises LLP	297.53	272.23
	Budheswar Das Flexituff International Limited JV	0.83	0.83
	Sanyug Enterprise Flexituff International Limited JV	0.83	0.83
	Flexituff Sailendra Kalita JV	76.89	74.57
	Flexituff Pulin Borgohain JV	3.62	3.62
	Wanderland Real Estate Pvt Ltd	94.52	596.80
	Total	**487.22**	**961.89**
(xi)	**Corporate Guarantee Given**		
	Wanderland Real Estates Private Limited	950.00	950.00
	Total	**950.00**	**950.00**

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free except for loans and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

43 Segment reporting

The Company's operations predominantly relate to manufacturing of technical textiles. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

The Company does not receive 10% or more of its revenue from transactions with any single external customer.

The amount of its revenue from external customers, broken down by location of its customers is shown in the table below:

Revenue from external customers	31 March 2020	31 March 2019
India	4125.69	4,994.77
USA	1797.87	2,892.74
Singapore	783.63	520.93
Other countries	2020.43	3,339.69
	8727.62	**11,748.13**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

The amount of non-current assets other than financial instruments, broken down by location of the asset is shown in the table below:

Non current assets	31 March 2020	31 March 2019
Within India	5727.04	6,139.32
Outside India	-	

44 Fair values of financial assets and financial liabilities

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transactionbetween willing parties, other than in a forced or liquidation sale.

The amortized cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying value and fair value of financial instruments by categories as at 31st March 2020 were as follows:

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Investments in Equity Instruments - Unquoted	8	-	0.01	-	0.01	0.01
Non current Fixed deposits	9	39.54	-	-	39.54	39.54
Trade receivables	13	2,381.55	-	-	2,381.55	2,381.55
Loans	16	344.22	-	-	344.22	344.22
Other financial assets	17	46.63	-	-	46.63	46.63
Cash and cash equivalents	14	58.68	-	-	58.68	58.68
Bank balances other than cash and cash equivalent	15	57.18	-	-	57.18	57.18
Liabilities						
Short term borrowings	24	3,376.98	-	-	3,376.98	3,376.98
Trade payables	25	1,656.56	-	-	1,656.56	1,656.56
Other financial liabilities	26	4,084.02	-	-	4,084.02	4,084.02

The carrying value and fair value of financial instruments by categories as at 31st March 2019 were as follows:

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Non current Fixed deposits	9	127.32	0.01	-	127.32	127.32
Security deposits	9	101.57	-	-	101.57	101.57
Trade receivables	13	3,862.89	-	-	3,862.89	3,862.89
Loans	16	383.59	-	-	383.59	383.59
Other financial assets	17	49.53	5.71	-	49.53	49.53
Cash and cash equivalents	14	37.53	-	-	37.53	37.53
Bank balances other than cash and cash equivalent	15	158.99	-	-	158.99	158.99
Liabilities						
Long term Borrowings	22	2,858.55	-	-	2,858.55	2,858.55
Short term borrowings	24	2,649.92	-	-	2,649.92	2,649.92
Trade payables	25	2,502.36	-	-	2,502.36	2,502.36
Other financial liabilities	26	2,166.36	0.73	-	2,167.09	2,167.09

45 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)."

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

	31 March 2020	31 March 2019
Level 2		
Financial assets measured at fair value through profit or loss		
Derivative financial instruments crystallised, pending settlement	-	5.71
Level 3		
Investments in Equity Instruments		
Unquoted equity instruments	0.01	0.01
Financial assets measured at amortized cost	39.54	127.32
Non current Fixed deposits		
Trade receivables	2381.55	3,862.89
Security deposits	-	101.57
Loans	344.22	383.59
Other financial assets	46.63	49.53
Cash and cash equivalents	58.68	37.53
Bank balances other than cash and cash equivalent	57.18	158.99
Financial liabilities measured at amortized cost		
Long term Borrowings	-	2,858.55
Short term borrowings	3376.98	2,649.92
Trade payables	1656.56	2,502.36
Other financial liabilities	4084.02	2,166.36

46 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates.The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company’s profit / loss before tax is affected through the impact on floating rate borrowings, as follows:

Exposure to interest risk	"Increase/ decreasein basis points"	"Effect on profit / lossbefore tax"
2020		
INR in Millions	+50	(18.74)
INR in Millions	-50	18.74
2019		
INR in Millions	+50	(15.91)
INR in Millions	-50	15.91

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The following table shows foreign currency exposures receivable and payable at the end of the reporting period

		31 March 2020		31 March 2019	
Particulars		Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in Million
Assets					
Trade Recievables	USD	12.63	951.89	14.69	1,016.13
	GBP	0.34	32.00	2.12	191.86
	EURO	0.19	16.06	0.53	41.26
	CAD	0.31	16.58	0.06	2.95
	AUD	0.03	1.26	0.04	1.77
Loans & advances	GBP	0.23	21.04	0.21	19.38
Other receivables	GBP	0.05	4.38	0.04	3.78
Advance to Suppliers	USD	0.02	1.32	0.03	1.85
	EURO	0.00	0.19	0.01	0.63
Capital Advance	EURO	-	-	0.12	9.20
Liabilities					
Foreign Currency Convertible Bonds	USD	31.50	2,374.66	31.50	2,178.90
Trade Payables	USD	3.06	230.34	0.79	54.44
	EURO	0.10	8.43	0.17	13.27
	GBP	-	-	0.11	0.12
Advance from Customers	USD	0.24	17.92	0.17	11.63
	EURO	0.05	3.92	0.00	0.27
	GBP	0.00	0.37	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Company's profit / loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Effect on profit / loss - gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Assets				
Trade Recievables	50.89	62.70	(50.89)	(62.70)
Loans & advances	1.05	0.97	(1.05)	(0.97)
Other Receivables	0.22	0.19	(0.22)	(0.19)
Advance to Suppliers	0.08	0.12	(0.08)	-
Capital Advance	-	0.46	-	(0.46)
Liabilities				
Foreign Currency Convertible Bonds	(118.73)	(108.94)	118.73	108.94
Trade Payables	(11.94)	(3.89)	11.94	3.89
Advance From Customers	(1.11)	(0.59)	1.11	0.59

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is primarily attributable to the Company's trade and other receivables. The amounts presented in this standalone statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

	31 March 2020	31 March 2019
Not due	367.27	832.81
0-3 months	737.04	1,431.26
3-6 months	201.32	346.03
6 months to 12 months	1069.98	580.42
beyond 12 months	5.94	672.36
	2381.55	**3,862.89**

The following table summarizes the change in the loss allowances estimated using life time expected credit loss method

	31 March 2020	31 March 2019
Opening provision	36.49	18.82
Add: additional provision made	222.89	17.67
Less: Provision written back	-	-
Closing provisions	**259.38**	**36.49**

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2020						
Long-term borrowings	-	-	-	187.94	-	187.94
Short term borrowings	3376.98	-	-	-	-	3376.98
Trade payables	-	1656.56	-	-	-	1656.56
Other financial liability	3168.14	641.99	273.89	-	-	4084.02
	6545.12	**2298.55**	**273.89**	**187.94**	**-**	**9305.50**
31 March 2019						
Long-term borrowings	-	-	-	2,858.55	-	2,858.55
Short term borrowings	2,649.92	-	-	-	-	2,649.92
Trade payables	-	2,502.36	-	-	-	2,502.36
Other financial liability	-	1,451.25	715.84	-	-	2,167.09
	2,649.92	**3,953.61**	**715.84**	**2,858.55**	**-**	**10,177.92**

47 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors its gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing (including current maturrities from long term debts) and current borrowing of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2020	31 March 2019
Total equity	(i)	2035.26	3,684.45
Total debt	(ii)	7151.35	7,764.06
Overall financing	(iii) = (i) + (ii)	9186.61	10,948.52
Gearing ratio	(ii)/ (iii)	0.78	0.66

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

48 Corporate Social Responsibility (CSR)	31 March 2020	31 March 2019
Gross amount required to be spent :	-	0.77
Amount Spent during the year		

	31 March 2020		31 March 2019	
	Yet to be paid in Cash	Total	Yet to be paid in Cash	Total
I. construction/ acquisition of any asset				
- under the control of the company for future use	-	-	-	-
- not under the contol of company for future use	-	-	-	-
ii. On purpose other than (i) above	-	0.03	-	0.80
	-	**0.03**	**-**	**0.80**
Less: Amount Capitalized as CSR Assets	-	-	-	-
	-	**0.03**	**-**	**0.80**

49 During the previous year ended March 2019, the Company has disposed off its entire shareholding in its subsidiary Nanofil Technologies Private Limited on April 30, 2018 at a consideration of Rs. 20.63 millions. Consequently, the Company has recognised profit on sale of investment amounting to Rs. 20.53 millions under the head "Other Income" in the year ended March 31, 2019.

50 The name of the Company has been changed from “Flexituff International Limited” to "Flexituff Ventures International Limited” w.e.f. September 28, 2018.

51 During the year, KKR India Financial Services Limited has made an application to the Honourable National Company Law Tribunal, Indore bench at Ahmedabad ("Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016.

52 "The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been further extended till July 31, 2020 in containment zones. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements."

53 The Company is in the process of approaching KKR India Financial Services Limited, TPG Growth II SF Pte. Ltd. and International Finance Corporation (“lenders”) for restructuring its loan and envisages that the lenders shall forgo the interest charge (including penal interest) accrued on its loans for the period April 1, 2019 to March 31, 2020. Accordingly, the Company does not expect any outflow of interest (including penal interest) attributable for the period April 1, 2019 to March 31, 2020 on loans from the said lenders; hence, the Company has not provided for interest (including penal interest) amounting to Rs. 85.77 millions attributable for quarter ended March 31, 2020 on loans outstanding to said lenders. Further, during the quarter ended March 31, 2020 the Company has reversed the interest charge (including penal interest) amounting to Rs. 187.54 millions (corresponding TDS reversal being Rs. 21.66 millions) attributable for period April 1, 2019 to December 31, 2019 accounted in books pertaining to said lenders.

54 The Company has incurred net losses of Rs. 1,654.28 millions during the year ended March 31, 2020 and has a net current liability position of Rs. 3,886.98 millions as on that date. Further, in respect of certain loan arrangements for which the amounts have fallen due as mentioned in Note 22 (d) and 24 (c); the Company is pursuing with its lenders for restructuring of loans through an Inter Creditor Agreement. Consequently, the Company’s ability to meet its obligations is dependent on restructuring of loans. The Company will also require further financing to sustain its operations in the normal course of business for which the Company is also contemplating monetisation of certain assets. These events along with other conditions cast significant doubt on the ability of the Company to continue as a going concern. The Company is confident that such cash flows would enable it to service its debt and discharge its obligations. Accordingly, these financial statements of the Company have been prepared on a going concern basis.

55 Subsequent to year end; the Chief Financial Officer of the Company, Mr. Ajay Mundra has resigned from the Company at the close of business hours on May 15, 2020 due to his personal reasons. The Company is in process of appointment of a Chief Financial officer in place of Mr. Ajay Mundra.

56 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W
Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020
For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C
Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380

Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

Financial Statements Consolidated

INDEPENDENT AUDITOR'S REPORT

To the Members of Flexituff Ventures International Limited (formerly known as Flexituff International Limited)

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Flexituff Ventures International Limited (formerly known as Flexituff International Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2020, consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

a. The Holding Company has recognized MAT credit as deferred tax asset aggregating to Rs. 279.77 million as at March 31, 2020 which is available for offset between five to fifteen years. Due to the financial difficulties experienced by the Holding Company as stated in Note 21(d) and Note 23 (c) to the consolidated financial statements and significant uncertainty stated in Note 55 to the consolidated financial statements, we are unable to comment on the recoverability of MAT credit recognized as deferred tax asset and consequential impact, if any, on the consolidated financial statements.

b. The Holding Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 4,502.90 million as on March 31, 2020 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Holding Company is undergoing financial difficulties as stated in Note 21 (d) and Note 23 (c) to the consolidated financial statements and there is significant uncertainty as cited in Note 55 to the consolidated financial statements in respect of the Holding Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the consolidated financial statements with regard to the CGU.

c. The Holding Company has not provided for interest charge (including penal interest) amounting to Rs. 85.77 million for the quarter ended March 31, 2020 on loans outstanding to certain lenders. Further, during the quarter ended March 31, 2020 the Holding Company has reversed the interest charge (including penal interest) accounted in the books amounting to Rs. 187.54 million for the period April 1, 2019 to December 31, 2019 pertaining to those lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss during the current year is understated by Rs. 273.31 million. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. Refer Note 54 to the consolidated financial statements.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI") and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 55 to the consolidated financial statements which states that the Holding Company has incurred net losses of Rs. 1,649.19 million during the year ended March 31, 2020 and has a net current liability position of Rs. 3,886.95 million as on that date and describes certain loans for which the Company is in default. Further, the Holding Company's ability to meet its future obligations is dependent on restructuring of its loans. These conditions indicate significant doubt on the Holding Company's ability to continue as going concern. The Holding Company is in the process of executing an Inter Creditor Arrangement and proposing a resolution plan to the lenders. In view of the above, the consolidated financial statements of the Group have been prepared on a going concern basis. Our opinion on the consolidated financial statements is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 53 to the consolidated financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognized in the consolidated financial statements. Accordingly, no adjustments have been made to the consolidated financial statements. Our opinion on the consolidated financial statements is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the directors report, corporate governance report and management discussion and analysis report (together referred to as 'Other Information') but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the directors report, corporate governance report and management discussion analysis report have not been adjusted for the impacts as described in the Basis for Qualified section above Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of 14 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of Rs. 735.48 million as at March 31, 2020, total revenues (before consolidation adjustments) of Rs. 151.99 million and net cash outflows amounting to Rs. 2.94 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Two subsidiaries (including a step down subsidiary) are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b. The consolidated financial statements for the year ended March 31, 2019 were audited by MSKA & Associates and Kailash Chand Jain & Co as Joint Auditors whose report dated May 24, 2019 expressed an unmodified opinion on those consolidated financial statements. Our opinion is not modified in respect of this matter.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. Except for the effects of the matter described in Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

g. With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration
No.105047W
Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADQ1915
Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration
No. 006228C
Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACG3667
Place: Indore
Date: July 10, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FROMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED)

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 internal financial controls with reference to 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration
No.105047W
Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADQ1915
Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration
No. 006228C
Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACG3667
Place: Indore
Date: July 10, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FROMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Flexituff Ventures International Limited (formerly known as Flexituff International Limited) on the consolidated Financial Statements for the year ended March 31, 2020]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Flexituff Ventures International Limited (formerly known as Flexituff International Limited) (hereinafter referred to as "the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which is a company incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration
No.105047W

Amrish Vaidya
Partner
Membership No.: 101739
UDIN: 20101739AAAADQ1915

Place: Mumbai
Date: July 10, 2020

For **Mahesh C. Solanki & Co.**
Chartered Accountants
ICAI Firm Registration
No. 006228C

Nitin Tiwari
Partner
Membership No.: 415087
UDIN: 20415087AAAACG3667

Place: Indore
Date: July 10, 2020

CONSOLIDATED BALANCE SHEET as at 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,183.63	5,491.11
Other intangible assets	6	477.26	577.37
Right-of-use assets	40	15.92	-
Financial assets			
Investments	7	0.01	0.01
Other non-current financial assets	8	148.40	228.89
Deferred tax assets		279.77	-
Non Current Tax Assets (Net)	9	46.82	42.96
Other non current assets	10	8.51	33.10
Total non current assets		**6,160.32**	**6,373.44**
Current Assets			
Inventories	11	1,401.71	1,605.62
Financial assets			
Trade receivables	12	2,385.79	3,962.25
Cash and cash equivalents	13	66.42	48.21
Bank balances other than cash and cash equivalent	14	57.18	159.87
Loans	15	16.22	14.81
Other current financial assets	16	273.88	210.01
Current tax assets (net)	17	38.80	12.79
Other current assets	18	1,192.75	1,767.57
Total current assets		**5,432.75**	**7,781.13**
Total assets		**11,593.07**	**14,154.57**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	248.83	248.83
Other equity	20	1,708.56	3,388.05
Total equity attributable to equity holders		**1,957.39**	**3,636.88**
Non controlling interests		(17.97)	(13.52)
Total equity		**1,939.42**	**3,623.36**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	187.94	2,858.56
Lease liabilites	40	12.19	-
Provisions	22	45.85	53.69
Deferred tax liabilities (net)	35	-	36.82
Total non-current liabilities		**245.98**	**2,949.07**
Current liabilities			
Financial liabilities			
Borrowings	23	3,376.98	2,649.92
Lease liabilites	40	4.86	-
Trade payables	24		
a) Outstanding dues to micro enterprises and small enterprises		-	-
b) Outstanding dues to creditors other than micro enterprises and small enterprises		1,721.13	2,624.86
Other current financial liabilities	25	4,089.09	2,170.65
Provisions	22	2.30	1.99
Other current liabilities	26	213.31	134.72
Total current liabilities		**9,407.67**	**7,582.14**
Total liabilities		**9,653.65**	**10,531.21**
Total equity and liabilities		**11,593.07**	**14,154.57**

Summary of significant accounting policies. 2
The accompanying notes an integral of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W
Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020
For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C
Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS as at 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Income			
Revenue from operations	27	8,852.09	12,452.15
Other income	28	162.48	211.82
Total income		**9,014.57**	**12,663.97**
Expenses			
Cost of material consumed	29	5,217.85	6,438.02
Purchase of Stock-in-trade		702.01	490.03
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	183.31	722.31
Employee benefits expense	31	1,770.79	1,972.35
Finance costs	32	738.46	1,091.69
Depreciation and amortization expense	33	745.05	704.32
Other expenses	34	1,666.13	1,540.29
Total expenses		**11,023.60**	**12,959.01**
Loss before exceptional items and tax		**(2,009.03)**	**(295.04)**
Income tax expense/(credit)	35		
Current tax		-	0.29
MAT Charge for the prior year		-	0.26
MAT Credit		-	(0.26)
Deferred tax charge/(benefit) (excluding MAT credit entitlement)			
		(319.19)	(62.33)
Tax for earlier years		(0.16)	5.75
Total income tax expense/(credit)		**(319.35)**	**(56.30)**
Loss after tax from continuing operations		**(1,689.68)**	**(238.74)**
Profit before tax from discontinued operations	38	-	10.84
Tax expense of discontinued operations		-	-
Profit after tax from discontinued operations	38	-	10.84
Loss on disposal of discontinued operations	38	-	(7.63)
Profit after tax from discontinued operations	38	**-**	**3.21**
Net Loss for the year		**(1,689.68)**	**(235.53)**
Loss from continuing operations for the year attributable to:			
Equity holders of the parent		(1,685.23)	(234.43)
Non controlling interests		(4.45)	(4.31)
Profit from discontinued operations for the year attributable to:		(1,689.68)	(238.74)
Equity holders of the parent		-	3.21
Non controlling interests		-	-
Other comprehensive(loss)/ income		-	3.21
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		7.40	(0.69)
Income tax effect on above		(2.31)	0.22
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		0.94	(2.17)
Income tax effect on above		(0.29)	0.68
Total Other comprehensive (loss)/income for the year		**5.74**	**(1.97)**
Other comprehensive (loss)/income attributable to:			
Equity holders of the parent		5.74	(1.97)
Non controlling interests		-	-
Total comprehensive loss for the year net of tax		**(1,683.94)**	**(237.50)**
Total comprehensive loss for the year attributable to :			
Shareholders of the company		(1,679.49)	(233.19)
Non controlling interests		(4.45)	(4.31)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS as at 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Loss per equity share (from continuing operations)			
Basic (in.Rs)	37	(67.73)	(9.42)
Diluted (in.Rs)	37	(67.73)	(9.42)
Earnings per equity share (from discontinued operations)			
Basic (in. Rs)	37	-	0.13
Diluted (in. Rs)	37	-	0.13
Loss per equity share (from continuing and discontinued operations)			
Basic (in. Rs)	37	(67.73)	(9.29)
Diluted (in. Rs)	37	(67.73)	(9.29)

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 march 2020

(All amounts in Rs. millions, unless otherwise stated)

Notes	As at 31 March 2020	As at 31 March 2019
Cash flow from operating activities		
Loss before tax	(2,009.03)	(295.04)
Profit before tax from discontinued operations	-	3.21
Adjustments for:		
Depreciation and amortization expenses	745.05	704.32
Finance cost	738.46	1,091.69
Interest income	(26.22)	(29.85)
Defined benefits reclassified to OCI	5.09	(0.47)
Amortisation of Government Grants	(9.84)	(15.03)
Provision for bad & doubtful debts	222.89	17.68
Bad Debts	271.49	
Loss on Sale of Subsidiary	-	7.63
Loss on sale of fixed assets	10.44	7.14
Unrealised foreign exchange gain(net)	(72.39)	(37.47)
Foreign currency translation reserve	0.65	(1.49)
Operating profit before working capital changes	**(123.41)**	**1,452.32**
Changes in working capital		
Increase/ (Decrease) in trade payables	(908.65)	215.85
Increase/ (Decrease) in other financial liabilities	(53.06)	70.59
Increase/ (Decrease) in other current liabilities	78.59	(91.14)
Increase/ (Decrease) in provisions	(7.53)	(10.80)
Decrease/ (increase) in inventories	203.91	782.59
Decrease/ (increase) in trade receivables	1,159.39	(257.09)
Decrease/ (increase) in other bank balances	102.69	(190.46)
Decrease/ (increase) in current loans and other financial assets	(67.22)	(85.95)
Decrease/ (increase) in other current assets	574.82	(540.96)
Decrease/ (increase) in non current financial assets	(7.29)	25.17
Decrease/ (increase) in other non current assets	24.59	(12.17)
Cash generated from operations	**976.83**	**1,357.97**
Income tax paid	(27.11)	(29.87)
Net cash flows from operating activities (A)	**949.72**	**1,328.10**
Cash flow from Investing activities		
Proceeds from disposal of Subsidiary	-	20.63
Purchase of property, plant and equipment	(439.28)	(350.20)
Purchase/Development of intangible assets	100.11	(44.94)
Receipts from Government Grants	-	25.81
Payments for purchase of investments	-	(0.01)
Net proceeds from fixed deposits (having original maturity of more than 12 months)	87.78	-
Interest received	28.16	31.23
Net cash outflows from investing activities (B)	(223.23)	(317.47)
Cash flow from Financing activities		
Net Proceeds/(Repayment) of borrowings	(112.72)	(14.58)
Principal Elements of Lease	(7.60)	-
Interest paid	(587.96)	(1,037.59)
Net cash outflows from financing activities (C)	**(708.28)**	**(1,052.17)**
Net decrease in cash and cash equivalents (A+B+C)	**18.21**	**(41.54)**
Cash and cash equivalents at the beginning of the year	48.21	89.75
Cash and cash equivalents at the end of the year	**66.42**	**48.21**

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 march 2020

(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents comprise (refer note 13)			
Balances with banks			
in current accounts		48.95	45.45
in fixed deposits with maturity of less than 3 months		13.51	0.94
Cash on hand		3.96	1.82
Total cash and bank balances at end of the year		**66.42**	**48.21**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 march 2020

(All amounts in Rs. millions, unless otherwise stated)

(A) Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity shares of Rs.10 each issued, subscribed and fully paid				
Opening	24.88	248.83	24.88	248.83
Add: issued during the year	-	-	-	-
Closing	24.88	248.83	24.88	248.83

(B) Other Equity

	Reserve and surplus					Total
	Securities premium	General reserve	Foreign currency translation reserve	Retained Earnings	Non Controlling Interests	
Balance as at 1 April 2018	2,055.07	114.24	18.81	1,433.12	(9.21)	3,612.03
Reclassification			(18.81)	18.81	-	-
Loss for the year	-	-	-	(231.22)	(4.31)	(235.53)
Other comprehensive income	-	-	-	(1.97)	-	(1.97)
Total comprehensive loss for the year	-	-	18.81	(214.38)	(4.31)	(237.50)
Exchange diff. on translation of foreign operation		-	-	-	-	
Balance as at 31 March 2019	**2,055.07**	**114.24**	**-**	**1,218.74**	**(13.52)**	**3,374.53**
Balance as at 1 April 2019	2,055.07	114.24	-	1,218.74	(13.52)	3,374.53
Reclassification	-	-	-	-		
Loss for the year	-	-	-	(1,685.23)	(4.45)	(1,689.68)
Other comprehensive loss	-	-	-	5.74	-	5.74
Total comprehensive loss for the year	-	-	-	(1,679.49)	(4.45)	(1,683.94)
Balance as at 31 March 2020	**2,055.07**	**114.24**	**-**	**(460.75)**	**(17.97)**	**1,690.59**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

SIGNIFICANT ACCOUNTING POLICIES

1 General Information

The consolidated financial statements comprise financial statements of Flexituff Ventures International Limited (the Parent) [formerly known as Flexituff International Limited], its subsidiaries (collectively, the Group) for the year ended 31st March, 2020. The parent is engaged in the business of technical textile. Manufacturing units of the Company are located at Pithampur in Madhya Pradesh and at Kashipur in Uttarakhand. The parent is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The parent is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the parent is located at C-41 50, SEZ, Sector - 3, Pithampur, Madhya Pradesh- 454 775.

These consolidated financial statements were authorised for issue by the Board of Directors of the parent on July 10, 2020.

2 Significant accounting policies

Significant accounting policies adopted by the group are as under:

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following:

i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value.

ii) defined benefit plans - plan assets measured at fair value

(c) New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019 :

- Ind AS 116, Leases
- Long-term Interests in Associates and Joint Ventures – Amendments to Ind AS 28, Investments in Associates and Joint Ventures
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs

The Group had to change its accounting policies as a result of adopting Ind AS 116. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) Current / non current classification

The Group has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated 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

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- 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

(e) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(f) Rounding off of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

2.2 Principals of consolidation

The consolidated financial statements relate to the Holding Company and its subsidiary companies (collectively referred herein under as the 'Group'). The consolidated financial statements have been prepared on the following basis

(a) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(b) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

(c) The financial statements are prepared using

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uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

2.3 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

the Group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life (in years)
Factory building	30
Leasehold land	over the period of lease term
Office equipment	5
Plant and machinery	15
Electrical installations	10
Furniture and fittings	10
Vehicles	8
Computers	3

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.4 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development."

Amortisation method and periods

"Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. "

the Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated useful life
Development assets	5 years
Computer software	3 years
Patents	5 years

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.5 Research and development expenditure

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

Development costs that are directly attributable to the design and testing of identifiable and unique assets controlled by the Group are recognised as intangible assets when the following criteria are met :-

it is technically feasible to complete the asset so that it will be available for use :

- management intends to complete the asset to use it or

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sell it

- there is an ability to use or sell the asset

- it can be demonstrated how the asset will generate probable future economic benefits

- adequate technical, financial and other resources to complete the development and to use or sell the asset are available and

- the expenditure attributable to the asset during its development can be reliably measuredDirectly attributable costs that are capitalised as part of the asset include employee cost and appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for future use.

Development expenditure that do not meet the above criteria are recognised as expense as incurred. Development costs previously recognised as expense are not recognised as an asset in the subsequent period.

2.6 Impairment of non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.7 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. All exchange differences arising on reporting on foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

In respect of foreign exchange differences arising on restatement or settlement of long term foreign currency monetary items attributable to depreciable assets, the Group has availed the option available in Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding, wherein foreign exchange differences on account of depreciable asset, are adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.

Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

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(c) Translation of foreign operation

The results and financial positions of foreign operations (none of which has the currency of a hyper inflationary economy) that have functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

- income and expenses are translated at average exchange rates

- all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to profit and loss, as a part of gain or loss on sale.

2.8 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

“Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. the Group's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.9 Revenue recognition

Revenue from Sale of Goods and Services

Revenue from sale of goods is recognised when control of the products being sold is transferred to customers and when there are no longer any unfulfilled obligations. The Performance Obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from irrevocable bill and hold contracts is recognised when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the product even though the customer has decided not to exercise its right to take physical possession of that product.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current Liabilities" as "Advance from customer".

Export benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Focus Market Scheme, Merchandise Exports from India

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Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes are accounted in the year of export and included under the head `Other operating revenue'.

Fixed price contracts

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.10 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided, using the balance sheet approach, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off

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corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Deferred income taxes are not provided on the movement of foreign currency translation reserve as the Group does not expect to sell the foreign subsidiaries in the foreseeable future.

2.11 Leases

With effective from 1 April, 2019:

As a lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.12 Inventories

Raw materials, stores, consumables, work in progress, traded goods and finished goods are valued at the lower of cost and net realisable value.

Cost of raw materials, stores, consumables and traded goods includes purchase price, (excluding those subsequently recoverable by the Group from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.13 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any

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cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.14 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.16 Corporate social responsibility (CSR)

Provisions are recognised for all CSR activity undertaken by the Group for which an obligation has arisen during the year and are recognized in Statement of profit on loss on accrual basis. No provision is made against unspent amount, if any.

2.17 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

2.18 Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(I) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are

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directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments:

All equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value (currently no such choice is made). the Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses(ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Trade receivables from customers: the Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables.

Debt investments measured at amortised cost and FVOCI: Debt investments at amortised cost and those at FVOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However,

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(I) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Compound financial instruments

Compound financial instruments issued by the Group which can be converted into fixed number of equity shares for fixed price at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(iv) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.20 Derivative financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks. Such derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the statement of profit and loss, under financial income or financial cost in the period when they arise.

2.21 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. the Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Compensated absences can be encashed only on discontinuation of service by employee.

(c) Post employment obligations

(I) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: the Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. the Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.22 Earnings per share

Basic earnings per share is calculated 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. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief

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(All amounts in Rs. millions, unless otherwise stated)

operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of manufacturing of technical textile. Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

2.24 Contributed equity

Equity Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.25 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.26 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest millions as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. the Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans and other long term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans and other long term benefits such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

(c) Intangible asset under development

the Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(d) Foreign currency convertible bonds (FCCB)

FCCB issued by the Group are converted into fixed number of equity shares for fixed price at the option of the holders at fixed rate of exchange. Hence, FCCB issued by the Group is Compound financial instrument and is accounted separately, recognising the liability and the equity components. Based on management estimate, the coupon rate at the time of issue of FCCB is same as coupon rate applicable to comparable liability that does not have an equity conversion option. On

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(All amounts in Rs. millions, unless otherwise stated)

initial recognition, the fair value of liability component of FCCB is same as consideration received, resulting in nil equity component. Hence, entire FCCB is recognised as liability.

4 **Standards (including amendments) issued but not yet effective**

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. the Group intends to adopt these standards, if applicable, when they become effective.

(a) Issue of Ind AS 117 – Insurance Contracts - Application of this standard is not expected to have any significant impact on the Group's financial statements.(b)Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Group is evaluating the effect of the above on its consolidated financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

5 Property, plant and equipment

	Gross block						Depreciation					Net block	
	As at 1 April 2019	Additions	Exchange Difference	Deductions	Deduction on Sale of subsidiary	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	Deduction on Sale of subsidiary	Exchange Difference	As at31 March 2020	As at31 March 2020
Owned assets													
Freehold Land	161.73	-	-	-	-	161.73	-	-	-	-	-	-	161.73
Buildings	1,192.63	20.16	19.82	2.07	-	1,230.54	135.22	46.68	0.24	-	-	181.66	1,048.88
Plant and Machinery	5,760.07	159.90	107.94	55.25	-	5,972.66	1,629.03	550.98	46.64	-	-	2,133.37	3,839.29
Electrical installations	177.08	6.71	1.76	-	-	185.55	96.10	15.46	-	-	-	111.56	73.99
Furniture and Fixtures	26.78	2.11	-	-	-	28.89	14.29	1.98	-	-	-	16.27	12.62
Office Equipment	24.81	1.19	-	-	-	26.00	13.14	5.11	-	-	-	18.25	7.75
Vehicles	11.95	7.38	-	-	-	19.33	0.72	3.26	-	-	-	3.98	15.35
Computers	12.43	1.10	-	-	-	13.53	8.59	1.38	-	-	-	9.97	3.56
Leased assets													
Leasehold land	21.50	-	-	-	-	21.50	0.78	0.26	-	-	-	1.04	20.46
Total	**7,388.98**	**198.55**	**129.52**	**57.32**	**-**	**7,659.73**	**1,897.87**	**625.11**	**46.88**	**-**	**-**	**2,476.10**	**5,183.63**

	Gross block						Depreciation					Net block	
	As at 1 April 2018	Additions	Exchange Difference	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	Deduction on Sale of subsidiary	Exchange Difference	As at31 March 2019	As at31 March 2019
Owned assets													
Freehold Land	161.73	-	-	-	-	161.73	-	-	-	-	-	-	161.73
Buildings	1,151.18	19.65	21.80	-	-	1,192.63	89.26	45.96	-	-	-	135.22	1,057.41
Plant and Machinery	5,580.72	110.25	123.19	45.61	8.48	5,760.07	1,106.25	543.30	21.10	1.31	1.89	1,629.03	4,131.04
Electrical installations	181.56	3.68	-	7.83	0.33	177.08	80.98	15.13	-	0.01	-	96.10	80.98
Furniture and Fixtures	29.33	0.53	2.13	5.21	-	26.78	13.06	2.48	3.05	-	1.80	14.29	12.49
Office Equipment	23.51	1.49	-	0.19	-	24.81	8.75	4.39	-	-	-	13.14	11.67
Vehicles	22.44	1.63	-	5.27	6.85	11.95	1.27	4.08	4.12	0.51	-	0.72	11.23
Computers	9.38	3.11	-	0.03	0.03	12.43	6.27	2.34	-	0.02	-	8.59	3.84
Leased assets													
Lease hold land	21.50	-	-	-	-	21.50	0.52	0.26	-	-	-	0.78	20.72
Total	**7,181.35**	**140.34**	**147.12**	**64.14**	**15.69**	**7,388.98**	**1,306.36**	**617.94**	**28.27**	**1.85**	**3.69**	**1,897.87**	**5,491.11**

Note: Refer to Note 21 and 23 for information on property, plant and equipment pledged as security by the Group.

6 Intangible assets

	Gross block						Amortisation					Net block
	As at 1 April 2019	Additions internally developed	Additions	Deductions	Deduction on Sale of subsidiary	As at 31 March 2020	As at 1 April 2019	For the Year	Deductions	Deduction on Sale of subsidiary	As at 31 March 2020	As at 31 March 2020
Other intangible assets												
Patents	0.35	-	-	-	-	0.35	0.30	0.05	-	-	0.35	-
Computer Software	4.04	-	-	-	-	4.04	3.44	0.38	-	-	3.82	0.22
Development assets	614.47	19.83	152.96	-	-	787.26	190.71	119.51	-	-	310.22	477.04
Intangible asset under development	152.96	-	-	152.96	-	-	-	-	-	-	-	-
Total	**771.82**	**19.83**	**152.96**	**152.96**	**-**	**791.65**	**194.45**	**119.94**	**-**	**-**	**314.39**	**477.26**

	Gross block						Amortisation					Net block
	As at 1 April 2018	Additions internally developed	Additions	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019	As at 1 April 2018	For the Year	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019	As at 31 March 2019
Other intangible assets												
Patents	0.35	-	-	-	-	0.35	0.20	0.10	-	-	0.30	0.05
Computer Software	4.04	-	-	-	-	4.04	2.33	1.11	-	-	3.44	0.60
Development assets	386.62	-	261.81	-	33.96	614.47	134.02	85.17	-	28.48	190.71	423.76
Intangible asset under development	283.45	131.31	-	261.81	-	152.96	-	-	-	-	-	152.96
Total	**674.46**	**131.31**	**261.81**	**261.81**	**33.96**	**771.82**	**136.55**	**86.38**	**-**	**28.48**	**194.45**	**577.37**

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(All amounts in Rs. millions, unless otherwise stated)

7	Investments	31 March 2020	31 March 2019
	Investment in equity shares at fair value through profit and loss Unquoted		
	1,100 (31 March 2019: Nil) Equity Shares of Rs. 10	0.01	0.01
	each fully paid-up in Neemuch Solid Waste Management Private Limited		
	Total non current investment	0.01	0.01
	Aggregate book value of:		
	Unquoted investments	0.01	0.01
	Aggregate amount of impairment in value of investments-	-	

8	Non-current financial assets - Others	31 March 2020	31 March 2019
	In fixed deposit accounts with maturity for more than 12 months from balance sheet date.	39.54	127.32
	Security deposits	108.86	101.57
	Total non-current financial assets - Others	**148.40**	**228.89**

9	Non-current tax assets	31 March 2020	31 March 2019
	Advance income tax (net)	46.82	42.96
	Total non-current tax assets	**46.82**	**42.96**

10	Other non-current assets	31 March 2020	31 March 2019
	Capital advance	-	16.87
	Prepaid expenses	7.48	14.97
	Security deposits	1.03	1.26
	Total other non-current other assets	**8.51**	**33.10**

11	Inventories*	31 March 2020	31 March 2019
	Raw material in stock	121.28	144.54
	Raw material in transit	1.30	20.83
	Consumables	70.92	57.52
	Work in progress in stock	421.78	562.85
	Finished goods in stock	747.45	789.69
	Store and spares parts including packing material	38.98	30.19
	Total inventories	**1401.71**	**1,605.62**

*Hypothecated as charge against borrowings. Refer note 22 and 24

Write-downs of inventories (net of reversal) to net realisable value amounted to Rs. 1.50 Million (31 March 2018 – Rs. 3.42 Million). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

12	**Trade receivable**	**31 March 2020**	**31 March 2019**
	Trade Receivables	2550.65	3,401.94
	Receivables from related parties (Refer Note 42)	94.52	596.80
	Less : Loss Allowance	(259.38)	(36.49)
	Total trade receivables	**2385.79**	**3,962.25**
	Break-up of security details		
	Trade receivables considered good – Secured	-	
	Trade receivables considered good – Unsecured	2645.17	3,998.74
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables – credit impaired	-	-
	Total	**2645.17**	**3,998.74**
	Loss allowance	(259.38)	(36.49)
	Total trade receivables	**2385.79**	**3,962.25**
13	**Cash and cash equivalents**	**31 March 2020**	**31 March 2019**
	Balances with banks		
	in current accounts	48.95	45.45
	in fixed deposits with maturity of less than 3 months	13.51	0.94
	Cash on hand	3.96	1.82
	Total cash and cash equivalents	**66.42**	**48.21**
14	**Bank balances other than Cash and cash equivalent**	**31 March 2020**	**31 March 2019**
	Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	57.16	159.86
	Unpaid dividend	0.02	0.01
	Total bank balances other than cash and cash equivalent	**57.18**	**159.87**
15	**Current financial assets - Loans**	**31 March 2020**	**31 March 2019**
	Unsecured, considered good		
	Intercorporate deposits	16.22	14.81
	Total current financial assets - Loans	**16.22**	**14.81**
	Break-up of security details		
	Loans considered good - Secured		-
	Loans considered good - Unsecured	16.22	14.81
	Loans which have significant increase in credit risk		-
	Loans – credit impaired		-
	Total Loans	**16.22**	**14.81**
16	**Current financial assets - Others**	**31 March 2020**	**31 March 2019**
	Interest accrued on fixed deposits	5.82	7.76
	Advance to staff	12.55	9.17
	Other advances	0.94	1.43
	Unbilled revenue #	172.99	125.98
	Security deposit	81.58	59.96
	Others		5.71
	Total current financial assets - Others	**273.88**	**210.01**
	# Classified as financial asset as right to consideration is unconditional upon passage of time.		
17	**Current tax Assets (net)**	**31 March 2020**	**31 March 2019**
	Advance Income tax (net)	38.80	12.79
	Total current tax Assets (net)	**38.80**	**12.79**
18	**Other current assets**	**31 March 2020**	**31 March 2019**
	Advance to suppliers	520.17	1,060.08
	Advance to employees	3.86	8.76
	Balance with government authorities	616.95	640.11
	Deposits with government authorities	34.14	46.80
	Prepaid expenses	17.63	11.82
	Total other current assets	**1192.75**	**1,767.57**

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(All amounts in Rs. millions, unless otherwise stated)

19	Equity share capital	31 March 2020	31 March 2019
	The Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.	400.00	400.00
	Authorized		
	40,000,000 (31 March 2018: 40,000,000) Equity Shares of Rs.10 each	**400.00**	**400.00**
	Issued, subscribed and paid up		
	24,882,806 (31 March 2018: 24,882,806) equity shares of Rs.10 each fully paid	248.83	248.83
	Total	**248.83**	**248.83**

	31 March 2020		31 March 2019	
	Number of shares in millions	Amount	Number of shares in millions	Amount
(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year				
Outstanding at the beginning of the year	24.88	248.83	24.88	248.83
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	24.88	248.83	24.88	248.83

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2019: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	31 March 2020		31 March 2019	
	Number of shares in millions	% of Holding in the class	Number of shares in millions	% of Holding in the class
Name of the shareholder				
1. Kalani Industries Private Limited	3.62	14.55%	3.62	14.55%
2. International Finance Corporation	1.90	7.64%	1.90	7.64%
3. Saurabh Properties Private Limited	1.64	6.59%	1.64	6.59%
4. Miscellani Global Private Limited	1.36	5.47%	1.36	5.47%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

20	Other equity	31 March 2020	31 March 2019
	Securities premium	2,055.07	2,055.07
	General reserve	114.24	114.24
	(Loss)/Profit in the Statement of Profit and Loss	460.75	1218.74
	Total other equity	**1708.56**	**3,388.05**

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Nature and purpose of other reserves	
Securities premium	Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
General reserve	The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.
Foreign currency translation reserve	Exchange difference arising on translation of foreign operations are recognised in other comprehensive income and accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss when the investment is disposed off.
Retained earnings	All other net gains, losses and transactions with owners (e.g.: dividends) not recognised elsewhere.

		31 March 2020	31 March 2019
(A)	**Securities premium**		
	Opening balance	2,055.07	2,055.07
	Add : Securities premium credited on share issue	-	-
	Closing balance	**2,055.07**	**2,055.07**
(B)	**General reserve**		
	Opening balance	114.24	114.24
	Addition /(Transfer) during the year	-	-
	Closing balance	**114.24**	**114.24**
(C)	**Foreign currency translation reserve**		
	Opening balance	-	18.81
	Add: Exchange difference on translation of foreign operations	-	-
	Less: Reclassed to Retained Earnings	-	(18.81)
	Closing balance	**-**	**-**
(D)	**Retained Earnings**		
	Opening balance	1,218.74	1,433.12
	Add: Net loss for the current year	(1,685.23)	(231.22)
	Add: Reclassification of Foreign currency translation reserve	-	18.81
	Less: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	5.09	(0.47)
	Less: Exchange difference on account of transalation difference	0.65	(1.49)
	Closing balance	**460.75**	**1,218.74**
	Total other equity	**1,708.56**	**3,388.05**

21	**Non-current borrowings**	**31 March 2020**	**31 March 2019**
	Secured		
	- Term loans		
	From banks (refer note (a) and (c) below)	2.39	5.64
	From others (refer note (a) and (c) below)	157.50	783.89
		159.89	789.53
	Unsecured		
	Foreign Currency Convertible Bonds (refer note (b) below)	-	1,400.72
	Finance lease obligations (refer note (b) below)	-	-
	- Other loans		
	From a related party	-	550.00
	From other parties	28.05	118.31
		28.05	**2,069.03**
	Total non current borrowings	**187.94**	**2,858.56**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

a. Terms of secured borrowing are as under

Description	Rate of interest	As at 31 March, 2020 (Rs. In Millions)	As at 31 March, 2019 (Rs. In Millions)	Terms of Repayment
Term loans from Banks				
Central Bank of India	13.75% (31 March 2019 : 13.90%)	35.16	61.70	There was a default in repayment of last three installments aggregating to Rs. 35.16 Million. This amount is overdue and payable to Central Bank of India
Vehicle loan from Banks	9% to 11% (31 March, 2019 : 9% to 11%)	3.50	8.65	Repayable in equated monthly instalments.
Term loan from other parties				
KKR India Financial Services Private Limited, Mumbai	15.25% (31 March, 2019 : 15.25%)	800.76	1,000.50	During the year ended March 31, 2020 there has been deafult in repayment of fourinstalments aggregating to Rs. 299.76 million. Consequent to said defaults, the entire outstanding of Rs. 800.76 million is classified as due as per the terms of agreement and demand from KKR India Financial Services Private Limited
IFCI Limited	15.40% (31 March 2019 : 13.15%)	410.00	464.97	During the year ended March 31, 2020 there has been default in repayment of three instalments aggregating to Rs. 105 million. This amount is overdue and payable to IFCI Limited. In addition to this deafult, it is payable in one quarterly instalment of Rs. 35 million and thereafter in four quarterly instalment of Rs. 37.50 million each and thereafter in three quarterly instalment of Rs. 40 million each. Date of last instalment is March 15, 2022.
Total		**1249.43**	**1535.82**	
Less: Unamortized processing cost		**(10.39)**	**(22.52)**	
Less: Classified under current liabilities		**(1079.15)**	**(723.77)**	
		159.89	**789.53**	

b. Terms of unsecured borrowing are as under

i Foreign Currency Convertible Bonds

As at 31 March 2020, the Company has two foreign currency convertible bonds aggregating USD 31.5 million (31 March 2019 : USD 31.5 million) :

i) The parent Company had issued 9,000, 5.34% foreign currency convertible bond ('FCCB') of USD 1,000 each aggregating to USD 9 million on 24 December 2013 to International Finance Corporation ('bondholder'). The bonds were convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 230 per share, subject to terms of issue, with fixed rate of exchange of Rs. 61.86 equal to USD 1 on January 30, 2019. The conversion option has not been exercised by the bondholder.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

ii) The parent Company had issued 25,000, 5.44% foreign currency convertible bond ('FCCB') of USD 1,000 each aggregating to USD 25 million on 26 April 2013 to TPG Growth II SF Pte. Ltd ('bondholder'). The bonds were convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to terms of issue, with fixed rate of exchange of Rs. 54.16 equal to USD 1 on April 26, 2018. During the current year, the bondholder has provided extension for repayment of said bonds based on revised terms and conditions. The outstanding bonds are convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to revised terms, with fixed rate of exchange of Rs. 54.16 equal to USD 1 up to 24 June 2022. The interest rate has been revised from 5.44% p.a. to 6.94% p.a.

Description / FCCB Repayment Revised Timeline	Amount in USD in Millions
Repaid during year ended 31 March 2019	**2.500**
30-Jun-19 (Defaulted)	1.125
31-Dec-19 (Defaulted)	1.125
30-Jun-20	2.250
31-Dec-20	2.250
30-Jun-21	4.500
31-Dec-21	5.625
30-Jun-22	5.625

Consequent to default in repayment of above instalments as on 30 June 2019 and 31 December 2019; the entire loan outstanding of USD 22.50 millions has been classified as current.

Other loans

Other loans are repayable over monthly instalments up to September 30, 2022 and has rate of interest ranging from 13% to 15% p.a.

c. Nature of security :

Term loans from banks and term loans from other parties are secured by equitable mortgage on all immovable fixed assets of the Group, hypothecation of the entire moveable machinery and other fixed assets and a second charge on all current assets of the Group. Above Term loans are further secured by Personal Guarantee of Mr. Saurabh Kalani, Mr. Manish Kalani, corporate guarantee of Kalani Industries Private Limited.

Fourteen third parties have pledged their shareholding in the Company aggregating to 9,751,107 shares against term loans from banks and term loans from other parties. One related party has pledged its shareholding in the Company aggregating to 3,621,730 shares against foreign currency convertible bonds.

d. Period and amount of default:

During the year ended March 31, 2020 the Group has defaulted in repayment of following dues:

Name of Lenders	Principal default in Rs. Millions as at March 31, 2020	Default in interest Rs. Millions as at March 31, 2020 (net of TDSand interest reversaladjustment as per note 54)	Period of default since
Financial Institution:			
1. KKR India Financial Services Private Limited	2 99.76	-	May, 2019
2. IFCI Limited	105.00	47.06	July, 2019
3. IFCI Venture Capital Funds Limited	22.08	2.74	December, 2019
4. TATA Capital	2.60	1.15	October, 2019
5. TGP Growth II SF Pte. Ltd.	169.62	97.03	December, 2018
5. International Finance Corporation	678.47	5.51	January, 2019
Bank:			
Central Bank of India	35.17	3.48	August, 2019

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

22 Provisions

	Non Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits				
Provision for gratuity (funded) (refer note 41)	23.66	31.26	-	-
Provision for compensated absences (unfunded)	22.19	22.43	2.30	1.99
Total Provisions	**45.85**	**53.69**	**2.30**	**1.99**

23 Short -term borrowings	31 March 2020	31 March 2019
Secured		
Working capital demand loan from banks, cash credit and packing credit (refer note below)	3289.30	2,468.67
Bills discounted with banks	-	50.79
Unsecured		
From other parties (refer note below)	5.40	42.35
Bills discounted	82.28	88.11
Total short-term borrowings	**3376.98**	**2,649.92**

a. **Terms and conditions of loans:**

i. Outstanding loans from banks carry interest from 9% to 14% p.a., repayable on demand

ii. Outstanding loans other parties carry interest rate of 12% to 15% p.a., repayable within 90 to 120 days

b. **Nature of security :**

i. Outstanding loans are secured by first charge on all current assets viz. raw material, stores & spares, work-in-progress, finished goods and book debts & second charge on all fixed assets of the Company

ii. Outstanding loans are further secured by personal guarantee of Mr. Manish Kalani and corporate guarantee of M/s Kalani Industries Private Limited.

iii. Outstanding loans are further secured by personal guarantee of Mr. Saurabh Kalani, director of the Company

c. **Period and amount of default:**

The Parent Company has devolved Letter of Credit issued by banks. Such devolvement has resulted in over utilisation of cash credit facilities by Rs.1,014.69 million(including interest) based on drawing power sanctioned by banks in February 2020. Bank-wise details of devlolvement is given below :

Name of Bank	Over-utilisation of Cash Credit in Rs. Millions as at March 31, 2020	Period of default since
1. Central Bank of India	329.79	August 2019
2. Punjab National Bank	425.29	September 2019
3. Bank of Baroda	259.61	September 2019
Total	**1,014.69**	

24 Trade payables	31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises*	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1721.13	2,624.86
Total trade payables	**1721.13**	**2,624.86**
* The Group does not have any dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:		

	31 March 2020	31 March 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than undeR Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years		

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

25	Other financial liabilities	31 March 2020	31 March 2019
	Interest accrued but not due on borrowings	260.73	110.24
	Current maturities of long term debt	3569.14	1,731.67
	Current maturities of finance lease obligations	17.29	23.92
	Unpaid dividend	0.02	0.01
	Employee related payable	209.32	273.29
	Government grants #	0.94	10.78
	Employee Security Deposits	4.63	15.75
	Other payables	27.02	4.99
	Total other financial liabilities	**4089.09**	**2,170.65**

	Government Grants	31 March 2020	31 March 2019
	Opening balance	**10.78**	**-**
	Grants received during the year	-	25.8
	Less: Reclassed to profit or loss	(9.84)	(15.03)
	Closing balance	**0.94**	**10.78**

26	Other current liabilities	31 March 2020	31 March 2019
	Statutory dues payable	74.11	35.70
	Advance received from customer	139.20	99.02
	Total other current liabilities	**213.31**	**134.72**

27	Revenue from operations	31 March 2020	31 March 2019
	- Finished goods	7753.92	11,633.11
	- Traded goods	697.56	264.80
	Sale of services	231.53	140.60
	Other operating revenue	169.08	413.64
	Total revenue from operations	**8852.09**	**12,452.15**
	Unsatisfied long-term contracts:		
	Aggregate amount of the transaction price allocated to the construction contracts that are partially or fully unsatisfied as at reproting date.	32.07	164.70

• Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as economic factors. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 32.07 million out of which 90% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

	Reconciliation of revenue recognised:	31 March 2020	31 March 2019
	Gross revenue	8708.47	12,069.33
	Adjustment for:		
	Less : Sales return	25.46	30.82
	Less : Discounts / Incentives	-	
	Revenue from operations	**8683.01**	**12038.51**

28	Other income	31 March 2020	31 March 2019
	Interest income	26.22	29.85
	Foreign Exchange Gain (net)	99.66	137.83
	Gain on sale of asset	-	
	Government grants #	9.84	15.03
	Miscellaneous income	26.76	29.11
	Total other income	**162.48**	**211.82**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

Government grants are related to Uttar Pradesh Skill Development Mission (Government of Uttar Pradesh, Department of Vocational Education and Skill Development) for placement linked skill development project under Deen Dayal Upadhyaya Grameen Kaushalya Yojna. There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance.

29	Cost of material consumed	31 March 2020	31 March 2019
(a)	**Raw materials consumed**		
	Inventory at the beginning of the year	165.37	167.56
	Add: Purchases	3,811.72	5,165.46
	Less: Inventory at the end of the year	(122.58)	(165.37)
	Cost of raw material consumed	**3,854.51**	**5,167.65**
(b)	**Consumables consumed**		
	Inventory at the beginning of the year	87.71	148.99
	Add : Purchases during the year	1,385.53	1,209.09
	Less: Inventory at the end of the year	(109.90)	(87.71)
	Cost of consumables consumed	**1,363.34**	**1,270.37**
	Total cost of material consumed (a+b)	**5,217.85**	**6,438.02**
30	**Changes in inventories of finished goods, stock-in-trade and Work-in-progress**	**31 March 2020**	**31 March 2019**
	Inventories at the beginning of the year		
	Stock in trade	-	-
	Work-in-progress	562.85	274.88
	Finished goods	789.69	1,799.96
		1,352.54	**2,074.84**
	Less: Inventories at the end of the year		
	Stock in trade	-	-
	Work-in-progress	421.78	562.85
	Finished goods	747.45	789.69
		1,169.23	**1,352.53**
	Net decrease	**183.31**	**722.31**
31	**Employee benefits expense**	**31 March 2020**	**31 March 2019**
	Salaries, wages, bonus and other allowances	1,575.21	1,766.77
	Contribution to provident and other funds	118.72	124.58
	Gratuity expenses (refer note 41)	23.07	26.92
	Staff welfare expenses	53.79	54.08
	Total employee benefits expense	**1,770.79**	**1,972.35**
32	**Finance costs**	**31 March 2020**	**31 March 2019**
	Interest expense		
	On borrowings	738.46	938.45
	On foreing currency convertible bonds	-	153.24
	Total finance costs	**738.46**	**1,091.69**
33	**Depreciation and amortization expense**	**31 March 2020**	**31 March 2019**
	Depreciation (refer note 5)	625.11	617.94
	Amortization (refer note 6)	119.94	86.38
	Total depreciation and amortization expense	**745.05**	**704.32**
34	**Other expenses**	**31 March 2020**	**31 March 2019**
	Consumption of stores and spares	99.03	130.11
	Power, fuel & electricity	352.92	358.37
	Job work charges	113.45	268.69
	Repairs and maintenance	24.82	23.07
	Rates and taxes	3.77	14.08
	Postage, telephone and fax	15.69	15.04
	Insurance	28.14	22.04

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

Stock in trade	-	-
Legal, professional and consultancy charges	62.06	75.22
Printing and stationery	4.32	5.37
Carriage and freight	239.18	324.17
Brokerage & commission	14.47	18.87
Travelling	63.43	67.17
Advertising and sales promotion	50.41	28.12
Rent	20.52	43.77
Provision for doubtful debts	222.89	17.68
Audit fees	7.19	5.56
Loss on sale of asset	10.44	7.14
Bad Debts Write off	271.49	-
Corporate Social Responsibility (CSR)	0.03	0.80
Miscellaneous expenses	61.88	115.02
Total other expenses	**1,666.13**	**1,540.29**

*Note : The following is the break-up of Auditors remuneration (exclusive of applicable taxes)

	31 March 2020	31 March 2019
As auditor :		
Statutory audit	4.90	4.12
Limited review fees	1.53	0.70
Tax audit	0.30	0.65
Certification fees & Other services	0.35	-
Reimbursement of expenses	0.11	0.09
Total	**7.19**	**5.56**

35. Income tax	**31 March 2020**	**31 March 2019**
(a) **Deferred tax relates to the following:**		
Deferred tax liabilities		
On property, plant and equipment	634.94	672.28
On unamortised transaction cost on borrowings	2.34	3.84
On right of use assets	4.96	-
On others	-	0.62
	642.24	**676.74**
Deferred tax assets		
On provision for employee benefits	(7.64)	(30.29)
On provision for doubtful debts and deferred taxes	(80.93)	(11.39)
On unabsorbed depreciation and carry forward business losses	(697.25)	(301.54)
On capital losses	(16.94)	(16.94)
On lease obligations	(5.32)	-
	(808.08)	**(360.16)**
Deferred tax (assets) / liabilities net *	-	316.58
Minimum Alternative Tax (MAT) entitlements #	(279.76)	(279.76)
Total Deferred tax liabilities net	**(279.76)**	**36.82**

* As per Ind-AS 12, Deferred Tax Asset shall be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Group has net deferred tax asset situation on account of accumulated losses and in absence of reasonable certainty to generate adequate taxable income in near future to set-off the accumulated losses, the Group has not recognised deferred tax asset.

The Parent Company is carrying MAT credit as a deferred tax asset aggregating to Rs. 279.77 millions which is available for offset between five to fifteen years. Management is reasonably certain that the Parent Company will earn sufficient taxable profit in future to utilise the MAT credit within the time limit prescribed under the Income Tax Act, 1961. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax recognised towards MAT credit.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

		31 March 2020	31 March 2019
(B)	**Deferred tax charge to be recognized in Statement of Profit and Loss**	**31 March 2020**	**31 March 2019**
	Deferred tax liabilities net	-	316.58
	Less: Opening Deferred tax liabilities	(316.58)	(380.26)
	Less : Others	(0.01)	(0.89)
	Less: Derecognition of Deferred tax liabilities on sale of subsidiary	-	1.35
	Add : Deferred Tax impact on other comprehensive income	2.60	0.89
	Deferred Tax expences for the year (A)	**(319.19)**	**(62.33)**
	Minimum Alternative Tax (MAT) entitlements:		
	Closing balances	(279.76)	(279.76)
	Less: Opening balances	279.76	279.50
	MAT credit for the year (B)	**-**	**(0.26)**
	Net impact on Statement of profit & loss (A+B)	**(319.19)**	**(62.59)**
(C)	**Income tax expense**	**31 March 2020**	**31 March 2019**
	Current tax	-	0.29
	MAT Charge for the prior year	-	0.26
	MAT Credit	-	(0.26)
	Deferred tax charge (excluding MAT credit entitlement)	(319.19)	(62.33)
	Tax for earlier years	(0.16)	5.75
	Total	**(319.35)**	**(56.30)**

(D) Reconciliation of effective tax rate

Due to unabsorbed losses and depreciation under income tax and MAT, no tax charge is recognised in the current and previous year. Since effective tax rate is Nil, numerical reconciliation between average effective rate and applicable tax rate is not given.

36 Discontinued Operations :

(a) Description

On 30 April, 2018, Nanofil Technologies Private Limited, a wholly owned subsidiary of the Company was disposed off and has been reported as discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the one month ended 30 April 2018 (31 March 2019 column)

	31 March 2019
Revenue	50.10
Expenses	40.61
Profit before income tax	**9.49**
Income Tax Expense	
Current Tax	-
Deferred tax (credit)/charge	(1.35)
Profit after income tax	10.84
Loss on sale of the subsidiary after income tax (see (c) below)	(7.63)
Profit from discontinued operation*	3.21
Net cash inflow from operating activities	10.84
Net cash inflow/(outflow) from investing activities ((31 March 2019 includes inflow of Rs. 20.63 million from the sale of the subsidiary)	20.63
Net cash (outflow) from financing activites	-
Net increase in cash generated from discontinued operation	31.47

* The entire amount is attributable to equity holders of the company.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

(c) Details of Sale of Subsidiary	**31 March 2019**
Consideration received from sale of subsidiary	20.63
Carrying Amounts of net assets sold	28.25
Loss on sale before income tax	(7.63)
Income tax expense	-
Loss on sale after income tax	(7.63)

The carrying amounts of assets and liabilities as at the date of sale viz. 30 April 2018 were as follows:

	31 March 2019
Property, plant and equipment	22.59
Intangible Assets	5.48
Inventories	3.19
Trade receivables	66.93
Cash and Cash Equivalents	102.98
Other current assets	7.20
Total Assets	208.36
Deferred Tax Liabilities	-
Other long term liabilties	9.99
Trade payables	165.09
Other current liabilities	4.54
Short Term Provisions	0.47
Total Liabilities	180.10
Net Assets	28.25

37 Loss per share	**31 March 2020**	**31 March 2019**
The following reflects the income and share data used in the basic and diluted loss per share computations:		
Loss from continuing operations for the year attributable to:		
Equity holders of the parent	(1685.23)	(234.43)
Non-controlling interest	(4.45)	(4.31)
Profit from discontinued operation for the period attributable to:		
Equity holders of the parent	-	3.21
Non-controlling interest	-	-
Loss attributable to equity holders from continuiung and discontinued operations	**1685.23**	**231.22)**
Weighted average number of equity shares for basic loss per share	24.88	24.88
Effect of dilution:		
Foreign currency convertible bonds *	-	-
Weighted average number of equity shares adjusted for the effect of dilution	**24.88**	**24.88**
For Continuing operations		
Basic loss per share (INR)	(67.73)	(9.42)
Diluted loss per share (INR)	(67.73)	(9.42)
For Discontinued operation		
Basic Earnings per share (INR)	-	0.13
Diluted Earnings per share (INR)	-	-
For Continuing and Discontinued operations		
Basic loss per share (INR)	(67.73)	(9.29)
Diluted loss per share (INR)	(67.73)	(9.29)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

*The Parent Company has Foreign currency convertible bonds as potential equity shares, which have been ignored in calculating diluted earning per share since conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities as these are anti-dilutive in nature.

38 Contingent liabilities, Contingent assets and Commitments	31 March 2020	31 March 2019
Corporate guarantees given on behalf of:		
- Related party	950.00	950.00
- Others	20.11	20.11
Disputed tax demands		
-Income Tax	123.94	97.77
-Sales tax/ VAT	58.27	58.27
-Entry tax	13.89	13.89
Customs and Excise	32.91	12.78
Total contingent liabilities	**1199.11**	**1152.82**

Note:

1. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
2. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

Contingent assets

Contingent assets as on 31 March 2020: Nil (31 March 2019: Nil)

Commitments	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	15.54 -

39 Employee benefits	31 March 2020	31 March 2019
The Group has the following employee benefit plans:		
(A) Defined Contribution Plans: Employers' Contribution to Provident Fund and Employee State Insurance Expense recognised during the year	118.72	124.58
(B) Defined benefit plan: Gratuity payable to employees		
Expense recognised during the year	23.07	26.92

i) Actuarial assumptions	31 March 2020	31 March 2019
Discount rate (per annum)	6.80%	7.76%
Rate of increase in Salary	3.00%	4.00%
"Expected average remaining working lives of employees (years) "	24.90	26.72
Attrition rate		
-upto 30 years	3%	3%
-31 to 44 years	2%	2%
-above 44	1%	1%

ii) Changes in the present value of defined benefit obligation	Employee's gratuity fund	
	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	121.82	98.45
Current service cost	20.68	23.65
Interest cost	9.33	7.59
Benefits paid	(18.37)	(7.15)
Actuarial (gain)/ loss on obligations	(9.99)	(0.72)
Present value of obligation at the end of the year	**123.47**	**121.82**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

iii)	Change in the fair value of plan assets:	Employee's gratuity fund	
		31 March 2020	**31 March 2019**
	Opening fair value of plan assets	90.56	56.11
	Expected return on plan assets	6.94	4.33
	Contributions by employer	23.28	38.69
	Benefits paid	(18.37)	(7.15)
	Actuarial [losses]/ gains	(2.59)	(1.42)
	Closing fair value of plan assets	**99.81**	**90.56**

iv)	Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
		31 March 2020	**31 March 2019**
	Liabilities at the end of the year	123.47	121.82
	Fair value of plan assets at the end of the year	(99.81)	(90.56)
	Liabilities recognised in the Balance Sheet (Classified as Non Current, Refer Note 23)	**23.66**	**31.26**
v)	**Actual return on plan assets:**	**31 March 2020**	**31 March 2019**
	Expected return on plan assets	6.94	4.33
	Actuarial [losses]/ gains on plan assets	(2.59)	(1.42)
	Actual return on plan assets	**4.34**	**2.91**

vi)	Expense recognized in the Statement of Profit and Loss	Employee's gratuity fund	
	Employee benefits expense	**31 March 2020**	**31 March 2019**
	Current service cost	20.68	23.65
	Past service cost		-
	Interest cost	2.40	3.26
	Total expenses**	**23.07**	**26.92**
	**Included in employee benefit expenses (Refer note 33)		
	Other comprehensive income		
	Actuarial gain / (loss) for the year on obligations	9.99	0.72
	Actuarial gain /(loss) for the year on plan assets	(2.59)	(1.42)
	Total actuarial [losses]/ gains to be recognised	**7.40**	**(0.69)**
	Total expenses recognised in Statement of profit and loss	**15.67**	**27.61**

vii)	Expected contribution to the fund in the next year	31 March 2020	31 March 2019
	Gratuity	25.36	31.18

viii)	A quantitative sensitivity analysis for significant is as shown below:	Employee's gratuity fund	
		31 March 2020	**31 March 2019**
	Impact on defined benefit obligation		
	Discount rate		
	0.5% increase	(6.78)	(7.06)
	0.5% decrease	7.43	7.76
	Rate of increase in salary		
	0.5% increase	7.62	(7.92)
	0.5% decrease	(7.00)	7.28

ix)	Maturity profile of defined benefit obligation	Employee's gratuity fund	
		31 March 2020	**31 March 2019**
	Year		
	0 to 1 Year	7.78	6.10
	1 to 2 Year	5.17	1.62
	2 to 3 Year	3.56	2.40
	3 to 4 Year	3.34	4.05
	4 Year onwards	103.62	107.65
		123.47	**121.82**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

x) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	Employee's gratuity fund	
	31 March 2020	31 March 2019
Particulars		
Insurance policy with LIC Life Insurance (%)	100.00%	100.00%

40 Leases

Operating leases where group is a lessee:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing in force as on April 01, 2019 using the modified retrospective approach with right-of-use assets recognized at an amount equal to adjusted lease liability viz. Rs. 49.53 millions as at April 01, 2019. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption on the loss for the year ended March 31, 2020 is not significant and has been given effect in these results. There is no effect of applying the standard to retained earnings.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation and amortisation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The Group continues to account for leases with term of twelve months or less as a operating lease and lease rentals for the same are accounted as expenses.

The Group leases various office premises and depots. Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at March 31, 2020.

(I) Amounts recognised in balance sheet		**31 March 2020**	**31 March 2019**
The balance sheet shows the following amounts relating to leases:			
Right-of-use assets			
Buildings		15.92	-
Total		**15.92**	**-**
Lease Liabilities		**31 March 2020**	**31 March 2019**
Current		4.86	-
Non Current		12.19	-
Total		**17.05**	**-**
(ii) Amounts recognised in the statement of profit and loss			
The statement of profit or loss shows the following amounts relating to leases:			
Depreciation charge of right-of-use assets		**31 March 2020**	**31 March 2019**
Buildings		8.73	-
Total		**8.73**	**-**
	Note	**31 March 2020**	**31 March 2019**
Interest expense (included in finance costs)	32	5.53	-
Expense relating to short-term leases (included in other expenses)	34	20.52	-
Total		**26.05**	**-**

43 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Entities over which Key Management Personnel and their relatives have significant influence

i. Kalani Industries Private Limted
ii. Ecstasy Heights LLP
iii. Venetian Realty LLP
iv. Ambika Commercial LLP
v. Rising Sun Properties LLP
vi. Chitrakoot Mercantiles LLP
vii. Wanderland Real Estate Private Limited
viii. Herbal Dream Ayurveda Creations Private Limited
ix. Indore Land & Finance Private Ltd.

Key Management Personnel (KMP)

i. Mr. Saurabh Kalani, (Whole Time Director)
ii. Mr. Mahesh Sharma (Chief Executive Officer & Whole Time Director upto 30 May 2018)
iii. Mr. Ajay Mundra (Chief Financial officer up to May 15, 2020)
iv. Mr. Anand Khandelwal (Whole Time Director)
v. Ms. Khushboo Kothari (Company Secretary)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

vi. Mr. Bhuwan Modi (Independent Director upto 14 November 2019)
vii. Mr. Anirudh Sonpal (Chairman)
viii. Ms. Alka Sagar (Non Executive Woman Director)
ix. Mr. Ashish Jamidar (Whole-Time Director upto 30 September 2019)
x. Mr. Dharmendra Pawar (Independent Director Joined w.e.f. 14 February 2020)

Relatives of Key Management Personnel

i. Mrs. Padma Kalani (Mother of Mr. Saurabh Kalani)
ii. Mr. Manish Kalani (Brother of Mr. Saurabh Kalani)
iii. Mr. Kartikeya Kalani (Son of Mr. Saurabh Kalani)
iv. Mrs. Devakshi Kalani (Daughter in Law of Mr. Saurabh Kalani)
v. Mr. Vinayak Kalani (Son of Mr. Saurabh Kalani)
vi Mrs. Manju Mundra (Wife of Mr. Ajay Mundra)
vii. Mrs. Arni Jamidar (Wife of Mr. Ashish Jamidar)

Trust

i. Flexituff Ventures International Employees Group Gratuity Trust.

(B)	Details of transactions with related party in the ordinary course of business	31 March 2020	31 March 2019
(i)	**Sale of goods**		
	Wanderland Real Estate Private Limited	747.08	1,021.96
(ii)	**Purchase of goods**		
	Wanderland Real Estate Private Limited	-	0.28
	Herbal Dream Ayurveda Creations Private Limited	-	0.31
	Total	**-**	**0.59**
(iii)	**Rent expenses**		
	Kalani Industries Private Limited	0.85	0.85
	Herbal Dream Ayurveda Creations Private Limited	0.69	1.15
	Mr. Manish Kalani	0.29	0.29
	Mrs. Padma Kalani	0.18	0.20
	Total	**2.01**	**2.49**
(iv)	**Salaries, wages, bonus and other allowances**		
	Mr. Kartikeya Kalani	6.15	6.32
	Mr. Ajay Mundra	3.67	3.67
	Mrs. Manju Mundra	1.72	1.73
	Mrs. Devakshi Kalani	1.62	2.63
	Mrs. Arni Jamidar	3.54	1.12
	Ms. Khushboo Kothari	0.89	0.69
	Total	**17.59**	**16.16**
(v)	**Managerial remuneration**		
	Mr. Saurabh Kalani	2.84	2.97
	Mr. Mahesh Sharma	-	1.78
	Mr. Ashish Jamidar	2.15	1.26
	Mr. Anand Khandelwal	1.01	1.12
	Total	**6.01**	**7.13**
(vi)	**Sitting Fees**		
	Ms. Alka Sagar	0.05	0.04
	Mr. Anirudh Sonpal	0.05	0.04
	Mr. Bhuwan Modi	0.04	0.04
	Mr. Dharmendra Pawar	0.01	-
	Total	**0.15**	**0.12**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

		31 March 2020	31 March 2019
(vii)	**Loan taken during the year**		
	Wanderland Real Estate Private Limited	-	664.66
(viii)	**Loan repaid during the year**		
	Wanderland Real Estate Private Limited	664.66	-
(ix)	**Given Security Deposits**		
	Herbal Dream Ayurveda Creations Private Limited	-	1.50
	Indore Land and Finance Private Limited	0.55	-
(x)	**Security Deposits repaid**		
	Herbal Dream Ayurveda Creations Private Limited	0.46	-
(xi)	**Employee Security Deposits taken**		
	Mr. Ajay Mundra	-	3.65
	Mrs. Manju Mundra	-	1.70
	Mr. Kartikeya Kalani	4.63	-
	Total	**4.63**	**5.35**
(xii)	**Employee Security Deposits repaid**		
	Mr. Ajay Mundra	3.65	-
	Mrs. Manju Mundra	1.70	-
	Total	**5.35**	**-**
(xiii)	**Travelling Advances given during the year (net)**		
	Mr. Saurabh Kalani	1.06	0.56
	Mr. Kartikeya Kalani	2.22	-
	Total	**3.28**	**0.56**
(xiv)	**Employee Salary Advances given during the year (net)**		
	Mr. Saurabh Kalani	0.80	-
	Mr. Ajay Mundra	0.34	-
	Mr. Anand Khandelwal	0.06	-
	Ms. Khushboo Kothari	0.01	-
	Total	**1.21**	**-**
(xv)	**Loans and Advances repaid during the year**		
	High Tech Construction	-	1.00
	Mayur Kartick Barooah	-	7.02
	Sanyug Enterprises	-	1.44
	Bhudheswar Das	-	0.29
	Total	**-**	**9.75**
(C)	**Amount due to/from related party as on:**		
(i)	**Trade payables**		
	Kalani Industries Private Limited	1.88	1.03
	Herbal Dream Ayurveda Creations Private Limited	-	0.02
	Mr. Manish Kalani	0.79	0.50
	Mrs. Padma Kalani	0.66	0.48
	Total	**3.33**	**2.03**
(ii)	**Loan Outstanding**		
	Wanderland Real Estate Private Limited	-	664.66

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	31 March 2020	31 March 2019
(iii) Salary Advances		
Mr. Saurabh Kalani	0.80	-
Mr.Ajay Mundra	0.34	-
Mr. Anand Khandelwal	0.06	-
Ms. Khushboo Kothari	0.01	-
	1.21	**-**
(iv) Travelling Advances		
Mr. Saurabh Kalani	1.66	0.60
Mr. Kartikeya Kalani	2.22	-
	3.88	0.60
(v) Security Deposits given		
Herbal Dream Ayurveda Creations Private Limited	1.04	1.50
Indore Land and Finance Private Ltd.	0.55	-
	1.59	1.50
(vi) Employee Security Deposits taken		
Mr. Ajay Mundra	-	3.65
Mrs. Manju Mundra	-	1.70
Mr. Kartikeya Kalani	4.63	-
Total	**4.63**	**5.35**
(vii) Trade receivables		
Wanderland Real Estate Private Limited	94.52	596.80
(viii) Corporate Guarantee Given		
Wanderland Real Estates Private Limited	950.00	950.00

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42 Segment reporting

The Group operations predominantly relate to manufacturing of technical textile. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as one operating segment. Hence no separate segment information has been furnished herewith.

The Group does not receive 10% or more of its revenue from transactions with any single external customer.

The amount of its revenue from external customers, broken down by location of its customers is shown in the table below.

Revenue from external customers	31 March 2020	31 March 2019
India	4250.15	5,599.85
USA	1797.87	2,892.74
Singapore	783.63	520.93
Other countries	2020.44	3,438.63
	8852.09	**12,452.15**

The amount of non-current assets other than financial instruments, broken down by location of the asset is shown in the table below:

Non-current asset	31 March 2020	31 March 2019
India	5732.14	6,144.54
Outside India	-	-
	5732.14	**6,144.54**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

43 (a) Interest in other entities
Subsidiaries
The group's subsidiaries as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Interest held by non controlling interest		Principal activities
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	
Flexiglobal Holding Ltd.	Cyprus	100%	100%	-	-	Investment Company
Flexiglobal (UK) Limited #	UK	100%	100%	-	-	Trading Company
Flexituff Technology International Ltd(formerly known as Flexituff FIBC ltd)	India	100%	100%	-	-	Trading Company
Flexituff SA Enterprises LLP*	India	75%	75%	25%	25%	Government Contracting
Flexituff Javed LLP*	India	80%	80%	20%	20%	Government Contracting
Flexituff Hi Tech LLP*	India	80%	80%	20%	20%	Government Contracting
Ujjivan Luit LLP*	India	51%	51%	49%	49%	Government Contracting
Flexituff Sailendra Kalita LLP *	India	80%	80%	20%	20%	Government Contracting
Budheswar Das Flexituff International Limited JV **	India	45%	45%	55%	55%	Government Contracting
Sanyug Enterprise Flexituff International Limited JV **	India	80%	80%	20%	20%	Government Contracting
Vishnu Construction Flexituff International Limited JV **	India	75%	75%	25%	25%	Government Contracting
Mayur Kartick Barooah Flexituff International Limited JV **	India	50%	50%	50%	50%	Government Contracting
Flexituff Sailendra Kalita JV **	India	80%	80%	20%	20%	Government Contracting
Flexituff Pulin Borgohain JV **	India	80%	80%	20%	20%	Government Contracting

indirect subsidiary through Flexiglobal holdings Ltd.
* Limited liability partneship - ownership through capital
** Association of person - ownerhip through control over all activities of the entity

Significant estimates and judgements: The directors have concluded that the group controls Budheshwar Das Flexituff International Limited JV and Mayur Kartick Barooah Flexituff International JV since the group directs all relevant activities of these entities.

For disclosure mandated by Schedule III of Companies Act 2013, by way of additional information refer below: Statement of Net assets and profit and loss attributable to owners and non conntrolling interests:

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

Name of the entity in the group	Net assets (total assets less total liabilities)		Share in Profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As a % of consolidated assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Flexituff Ventures International Limited								
31 March 2020	104.95%	2,035.41	97.90%	(1,654.27)	88.72%	5.09	97.94%	(1,649.18)
31 March 2019	101.33%	3,671.48	75.90%	(178.76)	24.17%	-0.48	75.47%	(179.24)
Subsidiaries								
Indian								
"Nanofil Technologies Private Limited (Discontinued)								
31 March 2020	NA	NA	NA	NA	NA	NA	NA	NA
31 March 2019	0.00%	-	-1.36%	3.21	0.00%	-	-1.35%	3.21
Flexituff Technology International Ltd (formerly known as Flexituff FIBC Ltd)								
31 March 2020	-0.01%	(0.20)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
31 March 2019	0.00%	(0.07)	0.02%	(0.05)	0.00%	-	0.02%	-0.05
Flexituff SA Enterprises LLP								
31 March 2020	0.03%	0.66	-1.04%	17.61	0.00%	-	-1.05%	17.61
31 March 2019	-0.47%	(16.85)	-0.12%	0.28	0.00%	-	-0.12%	0.28
Flexituff Javed LLP								
31 March 2020	-3.65%	(70.75)	1.88%	(31.79)	0.00%	-	1.89%	(31.79)
31 March 2019	-1.07%	(38.86)	8.38%	(19.73)	0.00%	-	8.31%	(19.73)
Flexituff Hi Tech LLP								
31 March 2020	-0.26%	(4.97)	0.21%	(3.47)	0.00%	-	0.21%	(3.47)
31 March 2019	-0.04%	(1.40)	1.35%	(3.17)	0.00%	-	1.34%	(3.17)
Ujjivan Luit LLP								
31 March 2020	-0.11%	(2.17)	0.04%	(0.71)	0.00%	-	0.04%	-0.71
31 March 2019	-0.04%	(1.37)	-0.33%	0.79	0.00%	-	-0.33%	0.79
Flexituff Sailendra Kalita LLP								
31 March 2020	-0.20%	(3.96)	0.05%	(0.92)	0.00%	-	0.05%	(0.92)
31 March 2019	-0.08%	(2.94)	0.40%	(0.93)	0.00%	-	0.39%	(0.93)
Budheswar Das Flexituff International Limited JV								
31 March 2020	0.10%	1.98	0.12%	(1.94)	0.00%	-	0.12%	-1.94
31 March 2019	0.11%	3.93	-0.74%	1.75	0.00%	-	-0.74%	1.75
Sanyug Enterprise Flexituff International Limited JV								
31 March 2020	0.01%	0.27	0.01%	(0.15)	0.00%	-	0.01%	(0.15)
31 March 2019	0.01%	0.42	0.27%	(0.64)	0.00%	-	0.27%	-0.64
Vishnu Construction Flexituff International Limited JV								
31 March 2020	-0.03%	(0.65)	0.02%	(0.31)	0.00%	-	0.02%	(0.31)
31 March 2019	-0.03%	(1.07)	0.84%	(1.98)	0.00%	-	0.83%	-1.98
Mayur Kartick Barooah Flexituff International Limited JV								
31 March 2020	-0.04%	(0.76)	-0.02%	0.36	0.00%	-	-0.02%	0.36
31 March 2019	-0.03%	(1.12)	1.15%	(2.71)	0.00%	-	1.14%	-2.71
Sailendra Kalita JV								
31 March 2020	-0.58%	(11.19)	0.66%	(11.22)	0.00%	-	0.67%	-11.22
31 March 2019	0.00%	0.03	-0.09%	0.21	0.00%	-	-0.09%	0.21
Pulin Borgohain JV								
31 March 2020	0.12%	2.36	-0.01%	0.22	0.00%	-	-0.01%	0.22
31 March 2019	0.06%	2.14	-0.95%	2.23	0.00%	-	-0.94%	2.23
Foreign subsidiaries								
Flexiglobal Holding Ltd.								
31 March 2020	-0.52%	(10.07)	0.10%	(1.61)	0.00%	-	0.10%	(1.61)
31 March 2019	-0.15%	(5.37)	0.38%	(0.90)	0.00%	-	0.38%	(0.90)
Flexi Global UK Limited (indirect subsidiary)								
31 March 2020	0.18%	3.44	0.09%	(1.46)	11.28%	0.65	0.05%	(0.81)
31 March 2019	0.40%	14.41	14.91%	(35.13)	75.83%	(1.49)	15.42%	-36.62
31 March 2020	100%	1,939.42	100%	(1,689.68)	100%	5.74	100%	(1,683.94)
31 March 2019	100%	3,623.36	100%	(235.53)	100%	(1.97)	100%	(237.50)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020
(All amounts in Rs. millions, unless otherwise stated)

43b. Non controlling interests

The following table summarises the financial information relating to subsidiaries that have non controlling interests

	31 March 2020	31 March 2019
Non current assets	0.04	1.16
Current assets	152.93	154.92
Current liabilities	170.95	(169.61)
Net liabilities attributable to non controlling interests	**(17.97)**	**(13.52)**
	31 March 2020	**31 March 2019**
Profit / (loss) for the year attributable to non controlling interests	(4.45)	(4.31)
Othe comprehensive income	-	-
Total commprehensive income	**(4.45)**	**(4.31)**

44 Fair values of financial assets and financial liabilities

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortized cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Investments in Equity Instruments - Unquoted	7	-	0.01	-	0.01	0.01
Non current Fixed deposits	8	39.54	-	-	39.54	39.54
Security deposit	8	108.86	-	-	108.86	108.86
Trade receivable	12	2,385.79	-	-	2,385.79	2,385.79
Non current Loans	15	16.22	-	-	16.22	16.22
Other financial assets	16	273.88	-	-	273.88	273.88
Cash and cash equivalents	13	66.42	-	-	66.42	66.42
Bank balances other than cash and cash equivalent	14	57.18	-	-	57.18	57.18
Liabilities						
Long term Borrowings	21	187.94	-	-	187.94	187.94
Short term borrowings	23	3,376.98	-	-	3,376.98	3,376.98
Trade payables	24	1,721.13	-	-	1,721.13	1,721.13
Other financial liabilities	25	4089.09	-	-	4089.09	4089.09

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Investments in Equity Instruments - Unquoted	-	-	0.01	-	0.01	0.01
Non current Fixed deposits	8	127.32	-	-	127.32	127.32
Security deposit	8	101.57	-	-	101.57	101.57
Trade receivable	12	3,962.25	-	-	3,962.25	3,962.25
Non current Loans	15	14.81	-	-	14.81	14.81
Other financial assets	16	204.30	5.71	-	210.01	210.01
Cash and cash equivalents	13	48.21	-	-	48.21	48.21
Bank balances other than cash and cash equivalent	14	159.87	-	-	159.87	159.87
Liabilities						
Long term Borrowings	21	2,858.56	-	-	2,858.56	2,858.56
Short term borrowings	23	2,649.92	-	-	2,649.92	2,649.92
Trade payables	24	2,624.86	-	-	2,624.86	2,624.86
Other financial liabilities	25	2,169.92	0.73	-	2,170.65	2,170.65

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	31 March 2020	31 March 2019
Level 2		
Financial assets measured at fair value through profit or loss	-	5.71
Derivative financial instruments crystallised, pending settlement		
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments	-	0.73
Level 3		
Investments in Equity Instruments	0.01	0.01
Unquoted equity instruments		
Financial assets measured at amortized cost		
Non current Fixed deposit	39.54	127.32
Security deposit	108.86	101.57
Trade receivable	2385.79	3,962.25
Loans	16.22	14.81
Other financial assets	273.88	204.30
Cash and cash equivalents	66.42	48.21
Other Bank balances	57.18	159.87
Financial liabilities measured at amortized cost		
Long term Borrowings	187.94	2,858.56
Short term borrowings	3376.98	2,649.92
Trade payables	1721.13	2,624.86
Other financial liabilities	**4089.09**	**2,169.92**

46 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Groups' risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Groups' exposure to the risk of changes in market interest rates relates primarily to the Groups' long-term debt obligations with floating interest rates.The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Groups' profit before tax is affected through the impact on floating rate borrowings, as follows:

	"Increase/ decreasein basis points"	"Effect on profit / loss before tax"
2020		
INR	+50	(18.74)
INR	-50	18.74
2019		
INR	+50	(15.91)
INR	-50	15.91

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Groups' exposure to the risk of changes in foreign exchange rates relates primarily to the Groups' operating activities (when revenue or expense is denominated in a different currency from the Groups' functional currency).

The following table shows foreign currency exposures receivable and payable at the end of the reporting period

		31 March 2020		31 March 2019	
Particulars		Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in Million
Assets					
Cash & cash equivalents	GBP	0.05	4.74	0.06	5.52
Trade Recievables	USD	12.63	951.89	14.69	1,016.13
	GBP	0.54	50.06	2.33	210.44
	EURO	0.19	16.06	0.53	41.26
	CAD	0.31	16.58	0.06	2.95
	AUD	0.03	1.26	0.04	1.77
Loans	GBP	0.17	16.22	0.16	14.81
	USD	0.02	1.32	0.03	1.85
	EURO	0.00	0.19	0.01	0.63
Other receivables	GBP	-	-	0.14	12.79
Capital Advance	EURO	-	-	0.12	9.20
Liabilities					
Foreign Currency Convertible Bonds	USD	31.50	2,374.66	31.50	2,178.90
Trade Payables	USD	3.06	230.34	0.79	54.44
	EURO	0.10	8.43	0.17	13.27
	GBP	0.07	6.55	0.20	17.93
Advance From Customers	USD	0.24	17.92	0.17	11.63
	EURO	0.05	3.92	0.00	0.27
	GBP	0.00	0.37	0.00	0.18
Other payables	GBP	0.01	1.15	0.00	0.17

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Groups' profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020 (All amounts in Rs. millions, unless otherwise stated)

	5% increase in exchange rate		5% decrease in exchange rate	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Assets				
Cash & cash equivalents	0.24	0.28	(0.24)	(0.28)
Trade Recievables	51.79	63.63	(51.79)	(63.63)
Loans	0.81	0.74	(0.81)	(0.74)
Advance to Suppliers	0.08	-	(0.08)	-
Other receivables	-	0.64	-	(0.64)
Capital Advance	-	0.46	-	(0.46)
Liabilities				
Foreign Currency Convertible Bonds	(118.73)	108.94)	118.73	108.94
Trade Payables	(12.27)	(4.28)	12.27	4.28
Advance From Customers	(1.44)	(0.60)	1.44	0.60
Other payables	(0.06)	(0.01)	0.06	0.01

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is primarily attributable to the Groups' trade and other receivables. The amounts presented in this consolidated statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

	31 March 2020	31 March 2019
Not due	367.27	1,161.76
0-3 months	769.57	1,442.65
3-6 months	195.36	320.68
6 months to 12 months	700.71	408.32
beyond 12 months	352.89	628.85
	2385.79	**3,962.25**

The following table summarizes the change in the loss allowances estimated using life time expected credit loss method:

	31 March 2020	31 March 2019
Opening provision	36.49	18.82
Add: additional provision made	222.89	17.67
Less: Provision written back	-	-
Closing provisions	**259.38**	**36.49**

(C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Groups' net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Groups' financial liabilities:

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2020						
Long-term borrowings	-	-	-	187.94	-	187.94
Short term borrowings	3,376.98	-	-	-	-	3,376.98
Trade payables	-	1,721.13	-	-	-	1,721.13
Other financial liability	3,168.14	647.07	273.89	-	-	4,089.09
	6,545.12	**2,368.20**	**273.89**	**187.94**	**-**	**9,375.14**
31 March 2019						
Long-term borrowings	-	-	-	2,858.56	-	2,858.56
Short term borrowings	2,649.92	-	-	-	-	2,649.92
Trade payables	-	2,624.86	-	-	-	2,624.86
Other financial liability	-	-	2,170.65	-	-	2,170.65
	2,649.92	**2,624.86**	**2,170.65**	**2,858.56**	**-**	**10,303.99**

49 Capital management

For the purpose of the Groups' capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Groups' capital management is to maximize the shareholder value and to ensure the Groups' ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2020	31 March 2019
Total equity	(I)	1957.39	3,636.88
Total debt	(ii)	7134.06	7,240.15
Overall financing	(iii) = (i) + (ii)	9091.45	10,877.03
Gearing ratio	(ii)/ (iii)	0.78	0.67

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2019 .

50 Corporate Social Responsibility

	31 March 2020	31 March 2019
Gross amount required to be spent :	-	0.77

	31 March 2020		31 March 2019	
	Yet to be paid in Cash	Total	Yet to be paid in Cash	Total
Amount Spent during the year				
I. construction/ acquisition of any asset				
- under the control of the Group for future use	-	-	-	-
- not under the contol of Group for future use	-	-	-	-
ii. On purpose other than (i) above	-	0.03	-	0.80
	-	**0.03**	**-**	**0.80**
Less: Amount Capitalized as CSR Assets	-	-	-	-
	-	**0.03**	**-**	**0.80**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. millions, unless otherwise stated)

51 During the previous year, the Group has disposed off its entire shareholding in its subsidiary Nanofil Technologies Private Limited on 30 April 2018 at a consideration of Rs. 20.63 millions. Consequently, the group has recognised net profit on disposal of investment in discontinued operations amounting to Rs. 3.21 millions in the year ended March 31, 2019.

52 During the year, KKR India Financial Services Limited has made an application to the Honourable National Company Law Tribunal, Indore bench at Ahmedabad ("Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016.

53 The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been further extended till July 31, 2020 in containment zones. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

54 The Parent Company is in the process of approaching KKR India Financial Services Limited, TPG Growth II SF Pte. Ltd. and International Finance Corporation (“lenders”) for restructuring its loan and envisages that the lenders shall forgo the interest charge (including penal interest) accrued on its loans for the period April 1, 2019 to March 31, 2020. Accordingly, the Parent Company does not expect any outflow of interest (including penal interest) attributable for the period April 1, 2019 to March 31, 2020 on loans from the said lenders; hence, the Company has not provided for interest (including penal interest) amounting to Rs. 85.77 millions attributable for quarter ended March 31, 2020 on loans outstanding to said lenders. Further, during the quarter ended March 31, 2020 the Parent Company has reversed the interest charge (including penal interest) amounting to Rs. 187.54 millions (corresponding TDS reversal being Rs. 21.66 millions) attributable for period April 1, 2019 to December 31, 2019 accounted in books pertaining to said lenders.

55 The Parent Company has incurred net losses of Rs. 1,654.19 millions during the year ended March 31, 2020 and has a net current liability position of Rs. 3,886.98 millions as on that date as per standalone financial statements. Further, in respect of certain loan arrangements for which the amounts have fallen due as mentioned in Note 21 (d) and 23 (c); the Parent Company is pursuing with its lenders for restructuring of loans through an InterCreditor Agreement. Consequently, the Parent Company’s ability to meet its obligations is dependent on restructuring of loans. The Parent Company will also require further financing to sustain its operations in the normal course of business for which the Parent Company is also contemplating monetisation of certain assets. These events along with other conditions cast significant doubt on the ability of the Parent Company to continue as a going concern. The Parent Company is confident that such cash flows would enable it to service its debt and discharge its obligations. Accordingly, these financial statements of the Group have been prepared on a going concern basis.

56 Subsequent to year end; the Chief Financial Officer of the Group, Mr. Ajay Mundra has resigned at the close of business hours on May 15, 2020 due to his personal reasons. The Group is in process of appointment of a Chief Financial officer in place of Mr. Ajay Mundra.

57 The name of the Parent Company has been changed from “Flexituff International Limited” to "Flexituff Ventures International Limited” w.e.f. September 28, 2018.

58 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739
Place: Mumbai
Date: July 10, 2020

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No.: 006228C

Nitin Tiwari
Partner
Membership No.: 415087
Place: Indore
Date: July 10, 2020

For and on behalf of the Board of Directors
Flexituff Ventures International Limited
(Formely known as Flexituff International Limited)
CIN: L25202MP1993PLC034616

Saurabh Kalani
Whole time director
DIN: 00699380
Place: Pithampur
Date: July 10, 2020

Anand Khandelwal
Whole time director
DIN: 07889346
Place: Pithampur
Date: July 10, 2020

Khushboo Kothari
Company Secretary
Membership No: F10081
Place: Pithampur
Date: July 10, 2020

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF FLEXITUFF VENTURES INTERNATIONAL LIMITED WILL BE HELD ON THURSDAY, 15TH OCTOBER, 2020, AT 2:00 P.M. IST THROUGH VIDEO CONFERENCING (”VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon;
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the report of Auditors thereon.
3. To appoint a director in place of Ms. Alka Sagar (DIN: 07138477), who retires by rotation and being eligible offers herself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013, read with rules made thereunder, M/s Mahesh C Solanki & Co., Chartered Accountants, Indore (Firm Registration No. 006228C) be and is hereby re-appointed as Joint Statutory Auditor of the Company, to hold office for a period of 5 years, from the conclusion of Twenty Seventh (27th) Annual General Meeting till the conclusion of Thirty Second (32nd) Annual General Meeting of the Company, on such remuneration and out of pocket expenses as may be agreed upon between the Board of Directors or any Committee thereof and Auditors.”
5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   “RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s Sanjeev Omprakash Garg & Co., Chartered Accountants, Indore (Firm Registration No. 008773C), be appointed as Joint Statutory Auditors of the Company, in place of retiring auditors M/s MSKA & Associates, Chartered Accountants, Mumbai (Firm Registration No. 105047W), to hold office from conclusion of Twenty Seventh (27th) Annual General Meeting till the conclusion of Twenty Eighth (28th) Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as may be agreed upon between the Board of Directors or any Committee thereof and Auditors.”

SPECIAL BUSINESS

6. **Appointment of Mr. Dharmendra Pawar (DIN:08068916) a Director and as an Independent Director of the Company.**

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

   “RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Dharmendra Pawar (DIN:08068916) who was appointed as an Additional Director of the Company with effect from 14th February, 2020 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (‘the Act’), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act including any statutory modification(s) or re-enactment(s) thereof, the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, the appointment of Mr. Dharmendra Pawar (DIN:08068916), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years upto the conclusion of 32nd Annual General Meeting of the Company, be and is hereby approved.”
7. **Appointment of Mr. Jagdish Prasad Pandey (DIN:00225969) as Director and Whole Time Director of the Company.**

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

   “RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment there of for the time being in force) Mr. Jagdish Prasad Pandey (DIN: 00225969), who was appointed as an Additional Director of the Company with effect from 11th September, 2020 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (‘the Act’), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company and the period of his office shall be liable to determination by retirement of directors by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby accords its approval to the appointment of Mr. Jagdish Prasad Pandey (DIN: 00225969), as the whole-time Director for a term of three consecutive years effective from 11th September, 2020 on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Jagdish Prasad Pandey (DIN: 00225969).”

By Order of the Board of Directors
Flexituff Ventures International Limited

Place: Pithampur **Khushboo Kothari**
Date: 11/09/2020 **Company Secretary**

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated May 5, 2020 read with circular no 14/2020 dated April 8, 2020 and circular no 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email Id: - cs@flexituff.com , a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through Remote E-voting.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode and in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/Link Intime India Private Limited., the Registrar and Share Transfer Agent in case the shares are held by them in physical form.

   Further, Members may note that the Annual Report 2019-20 will also be available on the Company's website www.flexituff.com, websites of the Stock Exchanges' i.e. BSE Limited & National Stock Exchange of India Limited and on the website of NSDL (agency for providing the Remote e-Voting facility) https://www.evoting.nsdl.com

8. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.

9. Members are requested to notify to the Company immediately, quoting Registered Folio No.,

   • changes in their addresses, if any, with the pin code number.

   • change in their residential status on return to India for permanent settlement;

   • particulars of NRE account, if not furnished earlier.

10. Members who are holding shares in identical names in more than one folios, are requested to write to the

Company/Registrar and Share Transfer Agent, to consolidate their holding in one folio.

11. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.

12. The Company has transferred all unpaid/unclaimed equity dividends and underlying equity shares for the financial year 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.

13. Members are advised to claim their unpaid dividend for the year 2012-13 to 2014-15, the Company is having unpaid dividend of Rs. 18,233 for the year 2012-13 to 2014-15. Attention of the members of the Company are drawn towards the provisions of section 124(6) of companies act, 2013 which provides that all the shares in respect of which unpaid or unclaimed dividend has been transferred u/s 124(5) of companies act, 2013 shall also be transferred by the company in the name of IEPF. Therefore in the interest of the members it is advised to take appropriate action to encase the unpaid dividend and update their bank particulars through the respective DPs. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of companies act, 2013. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company i.e. www.flexituff.com .

14. Members desirous of obtaining any information concerning to the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven working days before the date of the AGM so that the required information can be made available at the meeting.

15. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed herewith to Notice as Annexure to the Explanatory Statement. The Directors have furnished the requisite declarations for their appointment/re-appointment.

16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

17. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the registered office of the Company during the office hours on all working days (except Sundays and Public Holidays) up to the date of this AGM.

18. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility for its Members to enable them to cast their votes on the resolution electronically. For this purpose, the Company has appointed National Securities Depository Limited ("NSDL") for facilitating remote e- voting.

19. **Instructions and other information relating to remote e-voting are as under:-**

(i) The remote e-voting period commences on Monday, 12th October, 2020 at 10.00 A.M. IST and ends on Wednesday, 14th October, 2020 at 5.00 P.M IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 8th October, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

(ii) Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end on discussion on the resolution on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

(iii) The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting after the conclusion of the Meeting.

(iv) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

(v) Any Person who has acquired shares and become member of the Company after the dispatch of the Notice of the AGM but before the cut-off date i.e. Thursday, 8th October, 2020, may follow the same instructions as mentioned above for e-voting.

(vi) The Board of directors in their meeting held on 31st August, 2020 has appointed M/s. Ritesh Gupta & Co., Practising Company Secretary, Indore as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

(vii) The details of the process and manner for remote e-voting are explained herein 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 are 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://eserices.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:

4. Your User ID details are given:

Manner of holding shares	Your User ID
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'

ii. In case you have not registered your email address with the Company/Depository, please follow instructions mentioned below in this notice.

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/Passwords?" (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 are 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.

20. **Process for those shareholders whose email Ids are not registered with the depositories for procuring user id and password and registration of email Ids for e-voting for the resolutions set out in this notice:**

• In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to cs@flexituff.com or evoting@nsdl.co.in.

• In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@flexituff.com or evoting@nsdl.co.in.

21. **Instructions for Members for attending the AGM through VC/OAVM are as under:**

• Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e- Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

• Members are encouraged to join the Meeting through Laptops for better experience.

• Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

• Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

• Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at cs@flexituff.com.

• Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the Company suitably.

• Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

• The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

22. **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 csriteshgupta@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.

3. 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 at www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in or alternatively to Company at cs@flexituff.com or call on 07292-420200.

By Order of the Board of Directors
Flexituff Ventures International Limited

Place: Pithampur
Date: 11/09/2020

Khushboo Kothari
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

ITEM No. 4 & 5

Though not mandatory, this statement is provided for reference.

In accordance with the provisions of Section 139 of the Companies, Act, 2013 and the Rules made there under, M/s Kailash Chand Jain & Co, Chartered Accountants, Indore (FRN: 112318W) was appointed as the Statutory Joint Auditors of the Company at the 24th Annual General Meeting held on 22nd August, 2017 for a term of five years till the conclusion of 29th Annual General Meeting. However, M/s Kailash Chand Jain & Co, Chartered Accountants, Indore (FRN: 112318W), has tender their resignation as the Statutory Joint Auditors of the Company, expressing their inability due to constraint of manpower and frequent travelling for the Audit at the Company's Kashipur unit, w.e.f. 23rd August, 2019. Thereupon, members at their extra ordinary General Meeting held on 19th October, 2019 has approved the appointment of M/s. Mahesh C Solanki & Co., Chartered Accountants, Indore (FRN.: 006228C), as the Statutory Joint Auditors of the Company who will hold the office upto the conclusion of ensuing Annual General Meeting. Audit Committee and Board of the Company proposes to appoint them for a period of five years from the conclusion of the 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2025.

Further, M/s MSKA & Associates, Chartered Accountants, Mumbai (FRN: 105047W) was appointed as the Statutory Joint Auditors of the Company at the 24th Annual General Meeting held on 22nd August, 2017 for a term of three years, for second term, and they shall retire at the conclusion of the ensuring 27th Annual General Meeting of the Company.

Accordingly, M/s Sanjeev Omprakash Garg & Co., Chartered Accountants, Indore (FRN:008773C) is proposed to be appointed as the Joint Statutory Auditors of the Company to hold office from conclusion of Twenty Seventh (27th) Annual General Meeting till the conclusion of Twenty Eighth (28th) Annual General Meeting of the Company Meeting.

M/s. Mahesh C Solanki & Co., Chartered Accountants, Indore (FRN.: 006228C) and M/s Sanjeev Omprakash Garg & Co., Chartered Accountants, Indore (FRN:008773C), have consented to the said appointment and confirmed that their appointments, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder and as required under Regulation 33 of the Listing Regulations, 2015.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 & 5 of the notice. The Board recommends the Resolution at Item No.4 & 5 to be passed as an ordinary resolution.

ITEM No. 6

The Board had, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), appointed Mr. Dharmendra Pawar as an Additional Director of the Company with effect from 14th February, 2020. In terms of Section 161(1) of the Act, Mr. Dharmendra Pawar holds office upto the date of this AGM and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Based on the recommendations of the NRC and subject to the approval of the Members, Mr. Dharmendra Pawar was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years upto the conclusion of 32nd Annual General Meeting of the Company, in accordance with the provisions of Section 149 read with Schedule IV of the Act. Mr. Dharmendra Pawar has consented to act as Director of the Company and has given his declaration to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Further, Mr. Dharmendra Pawar is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. Dharmendra Pawar fulfills the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as Independent Non-Executive Director of the Company and is independent of the management.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Dharmendra Pawar as an Independent Director.

A copy of the draft letter for appointment of Mr. Dharmendra Pawar setting out the terms and conditions of appointment is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable regulations, if any, the appointment of Mr. Dharmendra Pawar as an Independent Director for a term of 5 (five) consecutive years upto the conclusion of 32nd Annual General Meeting of the Company, is now placed for the approval of the Members by an Ordinary Resolution.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board commends the Ordinary Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members this item being special business, is unavoidable in nature. Except Mr. Dharmendra Pawar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ITEM No. 7

The Board had, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), appointed Mr. Jagdish Prasad Pandey as an Additional Director of the Company with effect from 11th September, 2020. In terms of Section 161(1) of the Act, Mr. Jagdish Prasad Pandey holds office upto the date of this AGM and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Based on the recommendations of the NRC and subject to the approval of the Members, Mr. Jagdish Prasad Pandey was also appointed as a Whole Time Director of the Company for a term of 3 consecutive years effective from 11th September, 2020.

The Board has decided to seek approval of the members at the ensuing AGM of the Company for his appointment as Director and thereon as Whole Time Director of the Company.

The remuneration as set out below was approved by the Nomination & Remuneration Committee and the Board at their respective meetings:-

- Gross Salary Rs. 58,600/- per month (Rupees Fifty Eight Thousand Six Hundred Only) with an authority to board/ Committee to decide from time to time to increase the remuneration upto Rs. 2,00,000/- per month (Rupees Two Lakhs Only) based on increment policy of the company in force;
- Perquisites and benefits, if any, in accordance with the scheme (s) and rule (s) of the Company applicable from time to time;

Further informed that in pursuant to provisions of Sections 196,197,198 and 203 of Companies Act, 2013 read with Schedule V and other applicable rules made thereunder, where in any financial year during the currency of tenure of a managerial person a company has no profits or its profits are inadequate, it may without Central Government approval, pay remuneration to the managerial person not exceeding the prescribed limit, provided the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.

Hence, the remuneration will be payable to Mr. Jagdish Prasad Pandey, subject to the prior approval of the banks, public financial institutions and other secured creditors of the Company and subsequently with the members, since the Company has defaulted in its payment of dues.

Notwithstanding anything herein contained, in the event of loss or inadequacy of profits in any financial year during the period of his office as the Whole-time Director, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr. Jagdish Prasad Pandey as provided here in above.

Consequently, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and the said disclosures being made.

The period of office of Mr. Jagdish Prasad Pandey shall be liable to determination by retirement of directors by rotation. If Mr. Jagdish Prasad Pandey is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director.

A copy of the draft letter for appointment of Mr. Jagdish Prasad Pandey setting out the terms and conditions of appointment is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Based on the recommendation of Nomination and Remuneration Committee and given his expertise, knowledge and experience, the Board considers the appointment of Mr. Jagdish Prasad Pandey as a Whole-time Director to be in the interest of the Company and in view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, recommends the Special Resolution as set out in the accompanying Notice for the approval of the Members.

Except Mr. Jagdish Prasad Pandey, being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE TO THE EXPLANATORY STATEMENT

PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED IS FURNISHED BELOW :

Name of Director	Ms. Alka Sagar	Mr. Dharmendra Pawar	Mr. Jagdish Prasad Pandey
DIN	07138477	08068916	00225969
Date of Birth	19th February, 1979	10th August, 1990	5th July, 1967
Age	41 Years	30 Years	53 Years
Appointment/Re - appointment	Re-appointment	Re-appointment	Re-appointment
Qualifications	LLB, Post Graduate Diploma in Human Resource Management	Company Secretary and Post Graduated in Finance & Taxation.	Commerce Graduate
Expertise in specific functional area	Mrs. Alka Gupta Sagar is an advocate by profession. Presently working as independent Advocate in Indore, High court. Mrs. Sagar is having an experience of around 14 years as private practitioner and a court lawyer. She started her carrier as a private practitioner from district court. She has good experience in legal matters. Ms. Alka Gupta Sagar has Bachelors in Home Science from Devi Ahiliya Vishwa Vidhyalaya, Indore, Bachelors in Law from Devi Ahiliya Vishwa Vidhyalaya, Indore and holds post graduate diploma in Human Resource Management from VMOU, Kota Affiliated by Indira Gandhi National Open University Bhopal (M.P.).	Mr. Dharmendra Pawar, aged 30 years is an associate member of the Institute of Company Secretaries of India and post graduated in Finance & Taxation. He has experience in various fields such as Company law matters, direct & indirect Taxation, Government clearances/approvals; FEMA & SEBI related matters, etc. He has started his career in working with M/s G.S. Gambhir & Associates, Chartered Accountants, in the field of income Tax and Accounting. Currently, he is working as a whole time Company Secretary in M/s. Ampo Valves India Private Limited.	Mr. Jagdish Prasad Pandey is a commerce graduate with his Excellency in various fields such as Accounting and Book Keeping, Banking, Cash Management etc. He has been associated with the Company more than a decade.
Date of first Appointment on the Board of the Company	31st March, 2015	14th February , 2020	11th September, 2020
Shareholding in Company	Nil	Nil	Nil
Terms and conditions of appointment/re-appointment	Terms and Conditions of re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company website i.e. www.flexituff.com		
Remuneration last drawn	Refer to Report on Corporate Governance		Nil
Number of Meetings of the Board attended during the year	Refer to Report on Corporate Governance		Nil

List of Directorship held in other companies	Biclare Limited	Nil	Geofil Manufactures Private Limited
Membership / Chairmanship in Committees of other companies as on date	Member in Nomination and Remuneration Committee of Bilcare Limited.	Nil	Nil
Relationships between Directors or and other Key Managerial Personnel inter-se	Nil	Nil	Nil

FlexiTuff
VENTURES

Flexituff Ventures International Limited
(formerly Flexituff International Limited)
C 41-50, S.E.Z., Sector III, Pithampur- 454 775
Dist. Dhar, Madhya Pradesh, INDIA
(T): +91-7292-401681, 82, 83, (F): +91-7292-401684
(E): mail@flexituff.com, (W): www.flexituff.com