

**FlexiTuff**  
VENTURES

# ANNUAL REPORT

| 2023-2024



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## 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 contain 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 Sonpal**

Chairman and Non- Executive Independent Director

### **Mr. Dharmendra Pawar**

Non-Executive Independent Director

### **Mr. Saurabh Kalani**

Whole-Time Director

### **Mr. Rahul Chouhan**

Whole-Time Director

### **Mr. Jagdish Prasad Pandey**

Whole-Time Director

### **Mrs. Alka Sagar**

Woman Non-Executive Director

### **Mr. Kaushal Kishore Vijayvergiya**

Additional Director

(Category - Independent)

(w.e.f. 14/08/2024)

## BANKERS/LENDERS

**UCO** Bank (Lead Bank)

**State** Bank of India

**Tamilnad** Mercantile Bank

**International** Finance Corporation

**Punjab** National Bank

**Axis** Bank Limited

**Asset** Care & Reconstruction

Enterprise Limited ("ACRE")

**Central** Bank of India

**Bank** of Baroda

**IFCI** Limited

**TPG** Growth II SF PTE. LTD.

## AUDITORS

### **STATUTORY AUDITORS**

**Maresh C Solanki & Co.**

Chartered Accountants,

Indore (M.P.)

### **SECRETARIAL AUDITOR**

**M/s. Ritesh Gupta & Co.**

Company Secretaries,

Indore (M.P.)

## COMMITTEES OF DIRECTORS

### **Audit Committee**

Mr. Anirudh Sonpal (Chairman)

Mr. Dharmendra Pawar

Mr. Saurabh Kalani

Mr. Kaushal Kishore Vijayvergiya

(w.e.f. 14/08/2024)

### **CSR Committee**

Mr. Saurabh Kalani (Chairman)

Mrs. Alka Sagar

Mr. Dharmendra Pawar

### **Stakeholders' Relationship Committee**

Mr. Dharmendra Pawar (Chairman)

Mrs. Alka Sagar

Mr. Anirudh Sonpal

Mr. Kaushal Kishore Vijayvergiya

(w.e.f. 14/08/2024)

### **Management Committee**

Mr. Saurabh Kalani (Chairman)

Mr. Jagdish Prasad Pandey

Mr. Rahul Chouhan

### **Nomination and Remuneration Committee**

Mr. Dharmendra Pawar (Chairman)

Mrs. Alka Sagar

Mr. Anirudh Sonpal

Mr. Kaushal Kishore Vijayvergiya

(w.e.f. 14/08/2024)

## REGISTRAR AND SHARE TRANSFER AGENT

**Link Intime India Private Limited**

C-101, 1<sup>st</sup> 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 (M.P).

Tel.: +91 7292 420200,

Fax: 07292-401684

Email: investors@flexituff.com,

cs@flexituff.com

Website: www.flexituff.com

## OTHER KEY MANAGERIAL PERSONNELS

**Mr. Ramesh Chand Sharma**

Chief Financial Officer

**Mr. Rishabh Kumar Jain**

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,

Uttarakhand



# CHAIRMAN'S MESSAGE

*Dear Stakeholders,*

I am honored to address you through this Chairman's Message as we present our annual report for the year 2023-24. It is with great pride and gratitude that I reflect upon the achievements, challenges, and progress we have made together as a company.

Flexituff has always been committed to excellence, innovation, and sustainable growth, and the past year has been no exception. Despite the uncertainties and disruptions that marked this period, we remained resilient and adaptive, leveraging our strengths to navigate the changing landscape and emerge stronger than ever.

On the brighter side, having registered the highest GDP growth rate among major economies, India has proved its strong position as against other major economies. Even if the global headwinds are posing short term threats, India with its strong macroeconomic fundamentals is poised to sustain in the long term. Policies like the production linked incentives, Make in India as well as the government's thrust on infrastructure expansion will produce a strong multiplier effect on jobs and higher productivity, all of which will boost the economy.

## ANIRUDH CHITTARANJAN SONPAL INDEPENDENT DIRECTOR AND CHAIRMAN OF THE BOARD

During the year under review, the Company's performance was quite not satisfactory in comparison to previous year. Total revenue on a standalone basis for the FY 2023-24 stands at Rs. 6064.31 Millions in comparison of previous year which was Rs. 9,294.74 Millions. The financial challenges in the current scenario, the Company is making its best possible efforts to overcome the challenges with a positive note.

### **Employee Engagement and Development:**

Our employees are the backbone of our organization, and their dedication and expertise have been instrumental in our success. We prioritize their well-being, growth, and development, providing a nurturing and inclusive work environment that fosters innovation and collaboration. We have continued to invest in training and development programs, ensuring that our team members stay ahead in a rapidly evolving marketplace. Our employees' resilience, adaptability, and commitment have been pivotal in overcoming challenges and achieving our objectives.

As we look to the future, we remain optimistic about the opportunities and challenges that lie ahead. We are cognizant of the rapidly evolving business landscape and will continue to adapt and innovate to meet the needs of our customers. Our strategic roadmap encompasses new market expansions, digital transformations, and further investments in research and development. By leveraging our core competencies and exploring emerging technologies, we are poised to capture new growth avenues and create long-term value for our stakeholder

In conclusion I am confident of our growth potential and business opportunities that each of our segments exhibit. As the domestic and international operating environment improves gradually I am optimistic of a healthy performance. This is possible due to our investments in world-class infrastructure, competent resources, superior R&D capabilities and a strong adherence to safety protocols which is a cornerstone of our sustainability endeavours. I am also confident of creating sustained value for all our stakeholders as we progressively step into FY 2024-25.

On this note, would like to express my sincere gratitude to all our stakeholders including shareholders, bankers and for their unwavering support, our valued vendors for their trust and partnership, and our dedicated employees for their exceptional contributions. Together, we will continue to chart a path of success and shape a brighter future for Flexituff Ventures International Limited.

**Stay Safe and Healthy!!**

With Regards,  
**Anirudh Chittaranjan Sonpal**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### DISCLAIMER / CAUTIONARY STATEMENT

Statement in this Report, which describe the company's plans, projections, estimates, expectations or predictions, are based on certain assumptions and expectations of future events which may or may not happen as expected. Therefore, actual results could differ materially from those expressed/ implied and the company cannot guarantee that these will be realized. Important factor that could make a difference to the company's operations include raw material availability and prices, cyclical demand and pricing in the company's principal markets, change in the government regulations, tax regime, politico-economic conditions within India and the countries in which the company conducts business and other incidental factors.

### INDUSTRY STRUCTURE & DEVELOPMENT

#### ECONOMIC REVIEW

##### WORLD ECONOMIC CONDITIONS

Early signs in 2023 that the world economy could achieve a soft landing with inflation coming down and growth remaining steady, have receded with stubbornly high inflation and recent financial sector turmoil.

The International Monetary Fund's (IMF's) baseline forecast, assuming the recent financial sector stresses are contained, is for growth to fall to 2.8% in 2023 from 3.4% in 2022. For the next five years, it is expected to average out to 3% as it rises slowly. It is IMF's lowest medium-term forecast in decades.

Advanced economies are expected to see an especially pronounced growth slowdown to 1.3% in 2023, from 2.7%, in the previous year. In a plausible alternative scenario, with further financial sector stress, global growth is expected to decline to 2.5% in 2023 with the growth of advanced economies falling below 1%.

The anemic outlook reflects the tight policy stances needed to bring down inflation. Global headline inflation is set to fall to 7% in 2023 from 8.7% in 2022 on the back of lower commodity prices. But underlying (core) inflation is likely to decline more slowly.

The global flexible intermediate bulk container market size reached US\$ 5.2 Billion in 2022. Looking forward, the analyst expects the market to reach US\$ 7.1 Billion by 2028, exhibiting a CAGR of 5.33% during 2022-2028.

The global flexible intermediate bulk container market size is projected to reach USD 6.4 billion by 2026, progressing at a CAGR of 5.9% over the forecast period, according to a new report by Grand View Research, Inc. Growing food and pharmaceutical industries across the

world and increasing need to reduce overall weight of bulk packaging are among the key factors driving the demand for flexible intermediate bulk containers.

### INDUSTRY OVERVIEW

The analyst monitoring the Global "FIBC (Flexible Intermediate Bulk Container) Market" was valued at 6870 million USD in 2020 and is expected to reach 9200 million USD by 2023, at a CAGR (Compound annual growth rate) of 5.0% during the forecast period. The increasing use of FIBC (Flexible Intermediate Bulk Container) in Chemical Industry, Food Industry, Pharmaceutical Industry, Others and other industries is driving the growth of the FIBC (Flexible Intermediate Bulk Container) market across the globe. The FIBC market is fragmented with the presence of several international and regional vendors who offer products for end-users in the chemical, food, and other industries. Although the high demand for FIBCs from the construction industry will offer immense growth opportunities, the high availability of substitutes will challenge the growth of the market participants.

The growth of the construction industry is one of the critical reasons expected to boost flexible intermediate bulk container market growth. Flexible intermediate bulk containers save storage space and ensure optimum utilization of trucks, which will help them gain more prominence in the construction industry. The cost savings associated with these containers will drive flexible intermediate bulk container market growth.

Peculiarly, Technical textiles as a segment is directly proportional to the stage of industrialization and economic growth of any country. Developing countries undergoing large scale industrialization 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 liberalization 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.

As per the latest estimates of IIT Delhi, the global Technical Textiles market is expected to grow at a CAGR of 5.06% between 2020 and 2025 whereas the market in India is likely to grow at a CAGR of 8.25% during the same period. The forecast arrived at by the research team suggests that the market for technical textiles in India will



grow in value from Rs. 122,943 Crores (US\$ 18.89 Billion) in 2019-20 to Rs. 1,82,742 Crores (US\$28.06 Billion) in 2024-25. The market size of the textile industry in India is Rs. 7,11,409 Crores while that of technical textiles is Rs. 1,22,943 Crores during 2019-20. Even as it currently contributes a relatively modest portion i.e. 17% of the total textile market in India. The size of the technical textiles market in India is a small proportion (8.7%) of the market size of technical textiles in the world in 2019-20. It is expected that by 2024-25, the value of consumption (calculated at constant foreign exchange rates) of technical textiles in India is likely to be 10.1% of global consumption of technical textiles in 2024-25.

The share of technical textiles in the total textile industry in India is expected to reach 28% by 2024-25. The segments likely to grow at the fastest rates (at rates faster than a CAGR of 10%) in the Indian market are Oekotech, Protech, Mobiltech, Geotech, Indutech, Agrotech and Buildtech. Packtech, which has been a mainstay of the domestic technical textile market is expected to experience a moderated rate of growth. The extent and nature of the success of India's National Technical Textile Mission is likely to change these forecasts depending on the response of the market to interventions made under the Mission.

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 specialty fibers /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. In order to capitalize 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 percent 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 Geo-synthetics 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 7000 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 (Biaxial 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

During the FY 2023-24 your Company's products had good demand in comparison to FY 2022-23. The company had incurred net losses from the financial year 2018-19 till date. The problems started with large amounts of money getting stuck in Government receivables. This led to a default in the repayment of the Bonds further leading to downgrading of credit rating of the company.

Due to the above, company is facing severe working capital shortage and is having to buy the raw material at high prices on credit from the traders.

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.

Looping to all the factors & the unstable conditions the Company's performance in FY 2023-24 was satisfactory.

## PRODUCT INTRODUCTION

### FIBC

- **Four Loop Bags**

Flexituff offers a wide range of Standard Corner Loops and Cross Corner Loops FIBCs for bulk packaging from 500- 2000 Kgs.

- **Single/ Two Loop Bags**

Also called as Fertilizer bags, they are one of the popular offering of Flexituff. It is manufactured in a way that the fabric of the bag is used as a 'lifting loop'. The total production capacity of Flexituff for Single Loop Bag is close to 4 Million bags per year. What makes them unique is that they are made out of a single layer circular fabric, coated/ uncoated or with an option of PE liner as per customer's requirements. These bags are mainly used for packaging Fertilizer, Fish feed, Seed and Cement.

Flexituff is the only Indian Company to offer Single loop bags with suspended liner made on World renowned Gunter® sealing machine.

- **Builder Bags/ Tunnel Lift Bags**

Builder Bags are used for high volume usage. Flexituff holds a patent for Tunnel Lift™ bags. They are made especially for the Building and Construction Industries and are used for filling sand,

construction waste or aggregates.

Flexi Global-UK, Flexituff's 100% owned subsidiary stocks and offers entire range of builder bags from its UK warehouses.

- **Specialized Bags: Type C + D**

Flexituff has evolved two specialized and protective bulk bag packaging that nullify damaging accidents due to static electricity- Type C (conductive) & D (dissipative) Bags employing patented Crohmiq technology.

Flexituff is the only Indian manufacturer holding Texene, USA's license and rights to produce type D Crohmiq fabric and bags.

- **Specialized Bags: Baffle Bags**

Also called as Form Stable bags or Q bags, they maintain their square shape which allows optimum use of space during warehousing and transportation.

- **UN Bags**

Flexituff UN bags are certified by IIP (Indian Institute of Packaging) that issues a UN certificate based on testing parameters as prescribed in the IMDG code. A UN FIBC is subjected to rigorous tests to make sure that each of them is safe, functional, and up to rigorous international standards. The company has been delivering such bags over a decade with full expertise and full adherence to specified norms.

- **Ventilated Bags**

Flexituff's ventilated bags are made of flat Sulzer Polypropylene Woven Fabric specifically designed to permit the required air flow through the fabric into the bag to keep them from getting either too hot, too wet and to prevent mould ingress on the crop/log itself. Ventilated bags are commonly used for packing, storage and transportation of potato, onion and firewood logs.

- **FIBC with Special Liners**

At Flexituff, Liners are being manufactured and stored in a state-of-the-art Clean Room environment (ISO 14644-1 class 7). Besides Standard Tubular liner, the company provides the following Specialized Liners: Form-fit liners, Baffle Liner, Aluminum Liner, Nylon Liner, EVOH Liner, PP Liner, Liquid Liner, Valve Liner and Conductive Liner. Liners can be attached to the bag in various options like Tabbed Liner, Glued Liner or Flanged Liner.

## BOPP WOVEN BAG

BOPP Woven Bags represent an advanced concept of bulk packaging from 5-50 Kgs that adds value to a brand's personality. Decades of packaging experience empowers Flexituff to offer customized bags to meet the needs of

different customers and applications.

Being a vertically integrated company, highest precision and quality are ensured at Flexituff, from the raw materials used to the finished product. Deep experience in manual stitching efficiencies enable the company to ramp up capacities and address customer needs of any quantity, anytime, anywhere.

## NON Woven Retail

- **Non Woven Floor Covering Carpets**

Non Woven Carpets are manufactured by a different process compared to Tufting and Weaving. Non-Woven Carpets are made from Polypropylene fibers or Polyester fibers. The fibers are formed into a web by Needle Punching and then chemically bonded to form the carpet. Flexituff also manufactures Non-Woven Carpets with Jute Backing for higher dimensional strength.

These are available in latex backed form for direct usage.

- Plain Non-Woven Carpet
- Non-Woven Carpet with Scrim
- Random Velour Non-Woven Carpet

- **Synthetic Leather Substrate**

Flexituff has the best of equipment for good density, high tear strength Non woven Fabric. Polyester Needle Punched non woven Fabric is the base material of synthetic leather. It imparts good dimensional stability and has high temperature resistance (180-210°C).

- **Interlining For Apparel**

Polyester Non Woven Needle Punched Fabric from 80 to 500 Gsm. It is produced in the following categories:

- Needle punched polyester fabric
- Needle punched with calendared
- Needle punched and chemical coated for stiffness, water repellent and fire proof.

- **Non Woven Filter Fabrics**

Polyester Non Woven Needle Punched Filter Cloth is produced for making Non-Woven Filter Bags which are used in various industries to trap dust particles. Our polyester fabric is strong, abrasion resistance and has resistance to common acids, solvents and oxidizing agents.

## GEOSYNTHETICS

- 3 World-class Manufacturing facilities in India
- Over 1000 Geotextile Bag Stitching Machines
- Over 240 Looms with latest technology
- Customized 261,000 – 450,000 Bags/ Day (from raw material stage to finishing)
- 0.1mm to 12mm Various stitch thickness in Bags
- Warehouses in Kolkata, Siliguri, Guwahati, Jorhat,

Kanpur, Delhi, Mumbai and Indore many prestigious orders for various Govt & private clients with a tight deadline offering huge advantage to the clients by deploying modern customized machines to offer solution.

- Fully equipped Material Testing Laboratory in factory
- Adherence to ASTM and ISO standards applicable in Geosynthetics Industry.
- State-of-the-art UV Testing Machine
- Specialised Stitching Services (free of cost) to the clients
- ISO 9001 Quality Management Systems, CE mark, DGS&D registered & international accreditations
- Completed a prestigious order for supply of Non woven Geotextile Bags for Bihar Government with a tight deadline
- Latest innovative & economical geosynthetic solution- Geosynthetics Gravity Reinforced Wall (GRW)

## SEGMENTAL REVIEW

### FIBC BUSINESS

A flexible intermediate bulk container (FIBC), bulk bag, 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 is made of strong, poly propylene, flexible fabric and can hold upto 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 of FIBC's such as flame-retardant, pallet-free, baffle-bags, UV resistant & conductive.

According to the various Global FIBC Market Research Reports, The flexible intermediate bulk container market is highly fragmented. 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.

Going forward, FIBC, will continue to be the major segment of the Company, it contributes approx. 62.11% to Company's top line. Your Company has market share of 15%-20% of Indian exports of FIBC and that is the largest

producer of FIBC in India.

#### • 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 passing the increase and decrease in the polymer price to customers.

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

Geo-synthetic 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, Geo-nets, Geo-synthetic clay liners, Geo-cells, Geo-composites, and Geo-foam.

Geo-synthetic 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.

Geo-synthetic 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. Geo-synthetic 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.

Geo-synthetic 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 Geo-synthetic materials in the global geosynthetics market due to the standards set by organizations such as Geo-synthetic 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 Geo-synthetics business is making its presence and receiving appreciation in the market. With its vast product portfolio consist of woven and belt non-woven geo-textiles, sand-filler geomattresses, GRW (Geo-Synthetics-Gravity Reinforced Walls) chains, mega bags and de-watering tubes, the Company has earned reputation in the domestic as well as international markets in a short span of time. In FY 2023-24, geosynthetics business accounted nearly 23.43% of Company's revenues and its share is expected to go up in future.

- **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.

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.

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. Geo-synthetics 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 new 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 printed & 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 in roads 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 BOPP woven bags and sacks market.

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, fertilizers, 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 kg's that adds value to a brand's personality. Reverse-printed BOPP woven bags contributed close to 8.83% of revenues in FY 2023-24.

- **Opportunities and outlook**

Developing consumer market & growth of middle class is fueling 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 for reverse printed BOPP bags is extremely good.

- **Risk and threats**

Since this division of reverse-printed BOPP woven bags is also using Polypropylene as raw material, hence price fluctuations is major risk and threatening factor impacting Company's performance as well as revenue margins.

## 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 2023-24, Company's total revenues stands at Rs. 6064.31 Million as compared to Rs. 9294.74 Million in FY 2022-23, thereby recording decrease by 34.75%.
- The Company reported negative EBIDTA (Earnings before Interest, Tax, Depreciation and Amortization) in FY 2023-24 was Rs. (1127.82) Million. In FY 2022-23 which reached to Rs. (54.52) Million.
- The Company's net worth is to Rs. (2191.22) Million in Financial Year 2023-24.

### CONSOLIDATION

- In FY 2023-24, Company's total revenues stands at Rs. 6040.38 Million as compared to Rs. 9279.41 in FY 2022-23, thereby recording decrease by 34.91%.
- The Company reported decrease in EBIDTA (Earnings before Interest, Tax, Depreciation and Amortization) in FY 2023-24 is Rs. (1119.49) Million. In FY 2022-23, the Company had recorded EBIDTA of Rs. (265.31) Millions.
- The Company's net worth mark a decrease to Rs. (343.12) Million in Financial Year 2023-24.

### FINANCIAL RATIOS

As required under Regulation 34(3) of Listing Regulations read with para B.1 of Schedule V thereof, changes in financial ratios in the financial year 2023-24, as compared with those of the immediately preceding financial year are given in Note 35(14) to Standalone Financial Statements and the same may kindly be read as a part of this Report.

#### **Reasons for significant changes from 2022-23 to 2023-24**

In past few years, we have taken various steps to increase the productivity and manpower efficiency with the help of better planning we have been able to achieve over 90% of

OTIF (On time & in full delivery) of goods to our customers tunes together with high quality standards have resulted in high satisfaction amongst our customers.

## **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.

## DIRECTORS' REPORT

To,  
The Members,

### Flexituff Ventures International Limited

The Board of Directors hereby presents its 31<sup>st</sup> Director's Report on business & operations of your Company ('the Company' or 'FVIL') along with Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31<sup>st</sup> March, 2024.

### FINANCIAL RESULTS

The Company's Financial Performance for the year ended 31<sup>st</sup> March, 2024 is summarized below:

Financial Results & Appropriation	(Rs. in Millions)			
	Standalone		Consolidated	
Particulars	2023-24	2022-23	2023-24	2022-23
Sales & other Incomes	6064.31	9294.74	6040.38	9279.41
Profit/(Loss) before Tax	(2566.84)	(1435.00)	(2562.35)	(1648.89)
Profit/(Loss) for the year / Balance available for Appropriation	(1850.88)	(1045.02)	(1840.94)	(1262.05)
Other Comprehensive (Loss)/Income	0.11	0.64	1.02	(6.37)
Total Other Comprehensive (Loss)/Income	(1861.88)	(1044.38)	(1839.92)	(1268.42)

### STATE OF COMPANY'S AFFAIRS

During the year under review, the company has achieved consolidated total revenue from operation of Rs. 6040.38 million in comparison to Rs. 9279.41 million in previous year. Your Company has loss for the year of Rs. (1840.94) million in comparison to Rs. (1262.05) million in previous year.

During the year under review, the company has achieved Standalone total revenue from operation of Rs. 6064.31 million in comparison to Rs. 9294.74 million in previous year. Your Company has loss for the year of Rs. (1850.88) million in comparison to Rs. (1045.02) million in previous year.

### DIVIDEND

During the year under review, Company didn't generate enough revenue/surplus to declare dividend, hence your Board do not propose any dividend for the Financial Year ended 31<sup>st</sup> March, 2024.

### SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2024 was Rs. 307.04 Million divided into 3,07,04,082 shares of Rs. 10/- each.

The Company has converted 3821276 warrants into Equity Shares on 14<sup>th</sup> October, 2023, 18<sup>th</sup> October, 2023, 19<sup>th</sup> October, 2023, 30<sup>th</sup> October, 2023 and 31<sup>st</sup> October, 2023 which resulted in increase of equity share from 2,68,82,806 equity shares to 3,07,04,082 equity shares.

### 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 BRC Global Standard for Packaging Material (BRCS), ISO 9001:2015 (for Quality Management System), ISO 14001:2015 (for Environmental Management System Standard), ISO 22000:2018 (for Food and Safety Management System Standard), ISO 45001:2018- (Occupational Health and safety), Certification under Jewish Dietary Law by Kosher Certification Limited, Compliance with Islamic Shariah Law and Safety Management System and certificate from Quality council of India for Workplace Assessment for Safety and Hygiene (WASH).

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.

## AMOUNTS TRANSFERRED TO RESERVES

During the year under review no amount was transferred to the reserves.

## CREDIT RATING

The credit rating assigned by CARE Rating as on was "D" rating for the Long term loan and "D" for Short term Non-Fund Based Limits, which indicates "negative" outlook.

## SUBSIDIARIES / JOINT VENTURE / ASSOCIATES

The Company has 2 Direct Subsidiaries, 1 Indirect Subsidiary, 6 Joint Ventures and 5 LLPs as on 31<sup>st</sup> March, 2024.

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

### **# reckoned as subsidiary on the basis of control.**

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](http://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:-

(<https://flexituff.com/wp-content/uploads/2024/08/CSR-Policy-30.05.2024.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.

## 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 31<sup>st</sup> March, 2024, 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 other 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/2022/09/Policies-Programmes-RPT.pdf>)

## **CORPORATE SOCIAL RESPONSIBILITY**

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:

(<https://flexituff.com/wp-content/uploads/2024/08/CSR-Policy-30.05.2024.pdf>)

The Annual Report on CSR activities is annexed herewith marked as Annexure B 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/2022/09/Policies-Programmes-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)**

There are no changes in the position of Directors/KMPs of the Company from 1<sup>st</sup> April, 2023 till the date of this report:

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/wp-content/uploads/2017/09/Policies-and-Programme-Terms-Conditions.pdf>)

### **b) Nomination & Remuneration Policy**

(<http://flexituff.com/wp-content/uploads/2022/09/Policies-Programmes-Nomination-and-Remuneration-Policy.pdf>)

## **DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

In accordance with the provisions of the Act & Articles of Association of the Company, Mr. Saurabh Kalani (DIN: 00699382), Executive Director, liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors has recommended his re-appointment.

## **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 Board 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

The Ministry of Corporate Affairs (MCA) has notified the Companies (Management and Administration) Amendment Rules, 2020, wherein the companies are no longer required to attach extracts of Annual Return. In the Companies (Management and Administration) Rules, 2014, in rule 12, in sub-rule (1), "provided that a company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT 9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013".

In compliance of the above amendment extract of the annual report FY 2023-24 will available at:  
<http://flexituff.com/annual-return/>

### 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. Mahesh C Solanki & Co., Chartered Accountants, Indore (FRN.: 006228C), was appointed as the Statutory Joint Auditors of the Company at the 27<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> October, 2020 till the conclusion of 32<sup>nd</sup> 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.

The Comments on the qualifications in the Auditors' Report on the financial statements of the Company for financial year 2023-24 are provided in the "Statement on Impact of Audit Qualifications" which is annexed as **Annexure C** 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 2023-24, as required under Section

204 of the Companies Act, 2013 and rules made thereunder.

The Secretarial Audit Report for the Financial Year 2023-24 forms part of the Annual Report as **Annexure D** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, however, the reference to specific event / actions which took place during the year are self-explanatory.

### DISCLOSURES

#### NUMBER OF MEETINGS OF THE BOARD

Seven (7) 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/2022/09/Policies-Programmes-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-Programme-Code-of-Conduct.pdf>)

All the Board members & Senior Management Personnel have affirmed compliance with the said code of conduct for the year ended 31<sup>st</sup> March, 2024. 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-Programme-Code-of-Conduct-and-Procedures.pdf>)
- (<http://flexituff.com/wp-content/uploads/2019/04/Policies-Programme-Code-of-Practices-and-Procedures.pdf>)

All the Board members & KMPs have affirmed compliance with the said code of conduct for the year ended 31<sup>st</sup> March, 2024.

### **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 E** 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, no unpaid dividend has been transferred to IEPF.

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

<b>Dividend for the year</b>	NIL
<b>Date of declaration of dividend</b>	
<b>Dividend Details (Amount in Rs. Lakhs)</b>	
<b>Amount of unpaid dividend<sup>#</sup> (Amount in Rs.)</b>	
<b>Due date to claim the dividend</b>	
<b>Due date of transfer to Unpaid Dividend Account</b>	
<b>Due date of accepting claim by the Company</b>	
<b>Date for transfer to IEPF</b>	

#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 The 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 F** forming part of this Annual Report.

### **DEMATERIALIZATION AND ELECTRONIC REGISTRAR**

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31<sup>st</sup> March 2024, 99.99% equity shares were in demat form and remaining 0.01% 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 Linkin-time India Private Limited, Mumbai.

During the year 3821276 equity warrants were exercised and due to exercise Company issued 3821276 equity shares. Trading approval of these shares was provided by BSE and NSE on August 9, 2024.

### **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 complaint was received from any employee of the Company and hence no complaint was outstanding as on 31<sup>st</sup> March, 2024.

## **MATERIAL CHANGES AFFECTING THE COMPANY**

During the year there were no material changes in the Company, except-

1. On August 28, 2023 Company has entered into Business Transfer Agreement with its subsidiary Company - Flexituff Technology International Limited for sale of FIBC Business of Pithampur unit. On 30<sup>th</sup> April, 2024 above process has completed. Intimation of above events were intimated to Stock Exchanges within stipulated time period.
2. Company has made one time settlement with TPG Growth, International Financial Corporation and IFCI Limited and intimated to stock exchanges for the same.

## **DISCLOSURE UNDER THE INSOLVENCY AND BANKRUPTCY CODE**

The Company has not made any application under the Insolvency and Bankruptcy Code 2016 during the Financial Year 2023-24.

However following matters are pending-

<b>Case No.</b>	<b>Filed by</b>	<b>Filed against</b>	<b>Brief matters</b>	<b>Status</b>
CP (I.B.) 1694/2018	Flexituff Ventures International Ltd.	M/s Trend Flooring & Ors.	The present application u/s 9 of IBC has been filed by M/s Flexituff Ventures International Ltd. against M/s Trend Flooring towards initiation of CIRP as Corporate Debtors defaulted in payment of Rs. 3,06,65,520/-	Pending for final order
IA 2826/2022 in CP (I.B.) 1342/2018	Flexituff Ventures International Limited	RP of M/s Ambica International Food Ltd.	The present application u/s 60(5) of IBC was filed by Flexituff Ventures International Ltd. for admission of claim of Rs. 29,54,116/- CIRP of M/s Ambica International Ltd.	Pending for final order
CP (I.B.) 53/2022	IFCI Limited	Flexituff Ventures International Ltd.	The present application u/s 7 of IBC has been filed by M/s IFCI Ltd. being a Financial Creditor for initiation of CIRP against Corporate Debtor Flexituff Ventures as FVIL defaulted in payment of Rs. 63,45,81,612/-	One time settlement has done between the Company and IFCI.

## **DISCLOSURE OF VALUATION OF ASSETS**

The Company has not done any one time settlement and hence no information is provided on difference between the amount of the valuation done while taking loan from the banks or financial institutions along with the reason thereof.

## **GENERAL DISCLOSURES**

The Board states 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 31<sup>st</sup> March, 2024.
- 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**

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

**Rahul Chouhan**  
Whole-Time Director  
(DIN: 03307553)

Date: 14/08/2024  
Place: Pithampur



**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	
<b>DIRECT SUBSIDIARIES</b>															
1	Flexiglobal Holdings Limited	N.A.	Under Liquidation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Flexituff Technology International Limited	N.A.	INR	8.32	(6.03)	2588.51	566.69	-	0.00	(5.33)	-	(5.33)	-	69.23 %	
<b>INDIRECT SUBSIDIARIES</b>															
3	Flexiglobal (UK) Limited, UK*	N.A.	Under Liquidation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\*Flexiglobal (UK) Limited and Flexiglobal Holding has filed documentation for liquidation.

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, 2024	N.A.	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the LLP	N.A.	(123.27)	(14.91)	(11.93)	(2.98)
2	Flexituff HI- Tech LLP		N.A.	0.08	80%		N.A.	(20.79)	(3.64)	(2.91)	(0.73)
3	Flexituff SA Enterprise LLP		N.A.	0.075	75%	Flexituff holds 75% of capital & interest in Profit/Loss of the LLP	N.A.	(258.72)	(7.28)	(5.46)	(1.82)
4	Flexituff Sailendra Kalita LLP		N.A.	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the LLP	N.A.	(0.66)	(0.81)	(0.65)	(0.16)
5	Ujivan Luit LLP		N.A.	0.075	75.5%	Flexituff holds 75.5% of capital & interest in Profit/Loss of the LLP	N.A.	(2.27)	(0.04)	(0.03)	(0.01)
6	Budheshwar Das Flexituff International Limited JV		N.A.		45%	Flexituff holds 55% of capital & interest in Profit/Loss of the JV	N.A.	(0.06)	(0.40)	(0.18)	(0.22)
7	Mayur Kartick Barooah Flexituff International Limited JV		N.A.		50%	Flexituff holds 50% of capital & interest in Profit/Loss of the JV	N.A.	(1.95)	(0.26)	(0.13)	(0.13)
8	Sanyug Enterprise Flexituff International Limited JV		N.A.		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the JV	N.A.	0.18	(0.02)	(0.02)	(0.00)
9	Vishnu Construction Flexituff International Limited		N.A.		75%	Flexituff holds 75% of capital & interest in Profit/Loss of the JV	N.A.	(1.07)	(0.13)	(0.10)	(0.03)
10	Flexituff Sailendra Kalita JV		N.A.		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the JV	N.A.	(10.02)	(3.62)	(2.90)	(0.72)
11	Flexituff Pulin Borgohain JV		N.A.		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the JV	N.A.	3.04	(0.01)	(0.008)	(0.002)

Date: 14/08/2024  
Place: Pithampur

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

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

**Rahul Chouhan**  
Whole-Time Director  
(DIN: 03307553)

**Rishabh Kumar Jain**  
Company Secretary

ANNEXURES TO THE BOARD'S REPORT

**ANNEXURE - B**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2023-24**

**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:**

<https://flexituff.com/wp-content/uploads/2024/08/CSR-Policy-30.05.2024.pdf>

**2. Composition of CSR Committee as on 31<sup>st</sup> March, 2024:**

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. (13136.40) 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: Rs. NIL

B. Amount unspent if any: NA

C. Amount spent during the year, if any: Nil

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

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 programmes wise	Amount spent on the projects or programmes	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing Agency
NIL							

**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 of  
**Flexituff Ventures International Limited**

Date: 14/08/2024  
Place: Pithampur

**Saurabh Kalani**  
Chairman, CSR Committee

ANNEXURES TO THE BOARD'S REPORT

**ANNEXURE - C**

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION)  
SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS**

(Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] Standalone				
I.	Sl.	Particulars	Adjusted Figures (₹ In Lakhs) (as reported before adjusting for qualifications)	Adjusted Figures (₹ In Lakhs) (audited figures after adjusting for qualifications)
	1.	Total income	60,643.12	60,643.12
	2.	Total Expenditure	86,311.55	88,037.13
	3.	Net Profit/(Loss) after taxes	(18,508.81)	(27,398.73)
	4.	Earnings/(Loss) Per Share	(64.70)	(45.69)
	5.	Total Assets	95,079.85	74,843.38
	6.	Total Liabilities	1,16,992.01	1,16,992.01
	7.	Net Worth	(21,912.16)	(42,148.63)
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer Material Uncertainty with respect to Going Concern Paragraph in the Auditors Report.	
<b>II.</b>	<b>Audit Qualification (each audit qualification separately)</b>			
	<b>a.</b>	<b>Audit Qualifications</b>		
		<p><b>i.</b> The Company has recognized deferred tax asset (net) of ₹ 18,510.89 lakhs on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Due to the financial difficulties experienced by the Company as stated in Note 2 to the Statement and significant uncertainty stated in Note 3 to the Statement, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the Statement. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2024 would have been higher by ₹ 18,510.89 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement).</p> <p><b>ii.</b> The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹ 26,264.20 lakhs as at 31 March 2024 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 2 to the Statement and there is significant uncertainty as cited in Note 3 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.</p> <p><b>iii.</b> The Company has Tuff Subsidy and Government Subsidy receivable amounting to ₹ 690.34 lakhs which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same.</p> <p><b>iv.</b> The Company has claims amounting to ₹ 1,035.24 lakhs of export incentive receivable. We are unable to comment on the recoverability of the same.</p>		
	<b>b.</b>	<b>Type of Audit Qualification: Qualified Opinion</b>		
	<b>c.</b>	<b>Frequency of qualification:</b>		
		<p>The qualification mentioned above in II (a) (i) and (iii) is repetitive and continuing since Limited Review for the quarter and nine months ended December 31, 2019.</p> <p>This qualification mentioned in II (a) (iii) and (iv) is included during the year ended March 31, 2024.</p>		



d.	<p><b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>Management views for qualification mentioned in II (a) (I) above:</p> <p>The Company is carrying deferred tax asset aggregating to ₹ <b>18,510.89 lakhs</b>. Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset (including MAT Credit) within the time limit prescribed under the Income Tax Act, 1961. Company has entered in Business Transfer Agreement to repay their existing loans and meet their working capital requirements which in turn will lead to profits in the Company. Which will enable the Company to utilize deferred tax 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.</p> <p>Management views for qualification mentioned in II (a) (iii) above:</p> <p>Tuff Subsidy and Government Subsidy receivable by the Company ₹ <b>690.34 lakhs</b> which pertains to the period prior to financial year 2016-17. The Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Company is confident that the said Tuff Subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.</p> <p>Management views for qualification mentioned in II (a) (iv) above:</p> <p>Claims amounting to ₹ <b>1,035.24 lakhs of export incentives were receivable by the</b> Company. The Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29<sup>th</sup> January 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued order in favor of the association. (IFIBCA). The Company has applied offline to DGFT for MEIS script.</p>
e.	<p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>Management views for qualification mentioned in II (a) (ii) above is explained below:</p> <p><b>(i)</b> Management's estimation on the impact of audit qualification:</p> <p>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, 2024. Thus, in the view of Management, there is no requirement for accounting any impairment loss.</p> <p><b>(ii)</b> If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p><b>(iii)</b> Auditors' Comments on (i) or (ii) above: ii.</p> <p>The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹ <b>26,264.20 lakhs as at 31 March 2024 comprising of tangible and intangible</b> assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 ñ Impairment of Assets. The Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 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.</p>

**III. SIGNATORIES:**

**Whole Time Director**

**Rahul Chouhan**  
Place: Pithampur  
Date: May 30, 2024

**Chairman Of Audit Committee**

**Anirudh Sonpal**  
Place: Vadodara  
Date: May 30, 2024

**Chief Financial Officer**

**Ramesh Chand Sharma**  
Place: Pithampur  
Date: May 30, 2024

**For Mahesh C. Solanki & Co.**

Chartered Accountants  
ICAI Firm Registration No. 006228C

**Mahesh Solanki**

Partner  
Membership No.: 074991  
UDIN: 24074991BKEFII4541  
Place: Indore  
Date: May 30, 2024

ANNEXURE - D

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 31<sup>st</sup> MARCH, 2024

To,  
The Members,  
**Flexituff Ventures International Limited**  
C 41-50, Sec No III, SEZ Industrial Area,  
Pithampur, Dist. Dhar (M.P.) - 454775

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Flexituff Ventures International Limited**, having **CIN: L25202MP1993PLC034616** (hereinafter called "**the Company**") The equity shares of the company are listed on **BSE Limited** and **National Stock Exchange of India Limited**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the **Financial year ended 31<sup>st</sup> March, 2024 ("Audit Period")**, 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 **31<sup>st</sup> March, 2024** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. 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 as amended from time to time;
  - (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;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Financial Year -
  - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- vi. 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 systems and mechanism formed by the company to monitor and ensure compliances under other applicable acts, regulation and laws to the company.

I further report that, compliances of applicable financial, cost and tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals; hence no comments have been made on the matters.

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.
- Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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 were carried out in compliance with the provisions of the Act.

I further report that NSE has issued notice in respect of non-compliance with SEBI (ICDR) Regulations, 2018 i.e. for one day delay in filing of Listing Application imposing fine of Rs. 20,000/- on the company and the company has made it compliant by paying such fine respectively.

I further report that the company is not regular in depositing Provident Fund of employees with the respective authorities.

Adequate notice, agenda and detailed notes on agenda of Board Meetings and committee meetings were sent to all directors 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 anywhere 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 there are adequate systems and processes in the company commensurate with the size and operations of the company.

**For Ritesh Gupta & Co.  
Company Secretaries**

Date: 14/08/2024  
Place: Indore

**Ritesh Gupta**  
CP: 3764 | FCS: 5200  
UDIN: F005200F000979657

**Note:** This report to be read with our 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**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. 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 our opinion.
3. I have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable accounting standards, financial records, and Books of Accounts of the company as the same is subject to the statutory audit being performed by the independent auditors.
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 our audit assignment.
5. Wherever required, I have obtained the Management representation and also relied 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 etc., are the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. I do not take any responsibility for any person if taking any commercial, financial or investment decision based on our secretarial audit report as aforesaid and they need to take independent advice or decision as per their own satisfaction.

**For Ritesh Gupta & Co.  
Company Secretaries**

Date: 14/08/2024  
Place: Indore

**Ritesh Gupta**  
CP: 3764 | FCS: 5200  
UDIN: F005200F000979657

**ANNEXURE - E**

**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	NA
2.	Mr. Rahul Chouhan	Whole Time Director	NA
3.	Mr. Jagdish Prasad Pandey	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. 0.08 Million.

**ii. The percentage increase in remuneration of each director<sup>#</sup>, 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	0%
2.	Mr. Rahul Chouhan	Whole Time Director	0%
3.	Mr. Jagdish Prasad Pandey	Whole Time Director	0%
4.	Mr. Ramesh Chand Sharma	Chief Financial Officer	0%
5.	Mr. Rishabh Kumar Jain	Company Secretary	0%

<sup>#</sup>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: 0%**

**iv. The number of permanent employees on the rolls of the Company: 6876**

**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 NIL 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, 2013**

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

S. No.	Name	Remuneration (Amount in Million)	Nature of Employment	Qualification	Experience	Date of commencement of employment	Age	Last employment	Share holding in the Company
1.	Kartikeya Kalani	12.00	Permanent	MBA	12 years	09.11.2011	36	NA	NIL

**Notes:** Aforesaid employee is related to Mr. Saurabh Kalani Director of the Company.

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

Date: 14/08/2024  
Place: Pithampur

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

**Rahul Chouhan**  
Whole-Time Director  
(DIN: 03307553)



**ANNEXURES TO THE BOARD'S REPORT**

**ANNEXURE - F**

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

**A. CONSERVATION OF ENERGY**

**POWER CONSUMPTION:**

**(Rs. in Millions)**

<b>Electricity</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
Unit Purchased (in KW)	51959561	43102872
Total Amount (Rs. in Millions)	338.75	304.47
Rate per Unit (in Rs.)	6.54	7.06

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 savings 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
  - POKAYOKE (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 ISO 45001-2018, which is advanced version of OHSAS 18001:2007 which was necessary to fight against COVID-19.

**C. FOREIGN EXCHANGE EARNING AND OUTGO (On standalone basis)****(Rs. in Millions)**

<b>Particulars</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
Earning in Foreign Exchange	70.69	3,230.42
Expenditure in Foreign Currency	0	134.95

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

Date: 14/08/2024  
Place: Pithampur

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

**Rahul Chouhan**  
Whole-Time Director  
(DIN: 03307553)

## CORPORATE GOVERNANCE REPORT

Report on Corporate Governance pursuant to Schedule V© 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 brought 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.

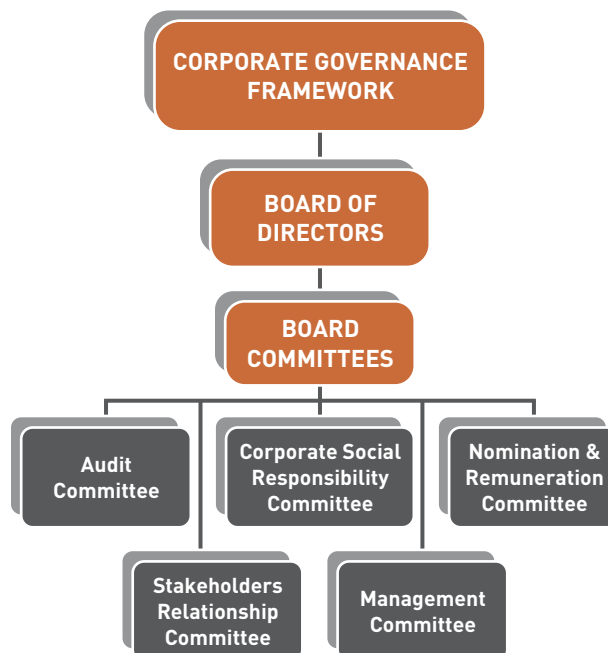
- It also provides a mechanism through which Company's objectives are set, the means to achieve these objectives are defined out and the process of monitoring performance is delineate.

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

### Composition and Category of Directors

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 2023-24, the Board of Directors of the Company comprised of 6(Six) Directors and out of which 3(Three) are Executive Directors, 1 (One) is Non-Executive Director and 2 (Two) are Non-Executive Independent Directors. The Chairman of the Board is a Non-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 31<sup>st</sup> March, 2024 are as follows:

Executive Directors	Non-Executive Women Director	Independent Directors
<ul style="list-style-type: none"> <li>Mr. Saurabh Kalani</li> <li>Mr. Rahul Chouhan</li> <li>Mr. Jagdish Prasad Pandey</li> </ul>	<ul style="list-style-type: none"> <li>Mrs. Alka Sagar</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Anirudh Chittranjan Sonpal</li> <li>Mr. Dharmendra Pawar</li> </ul>

### Attendance & Membership/Chairmanship of Directors in other Companies

Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 29 <sup>th</sup> September, 2023	No. of Directorship in other Companies (excluding private companies)	Membership/Chairmanship of Committees of other Companies (Represents Audit Committee & Stakeholders' Relationship Committee)	
				Member	Chairman
<b>Board of Directors as on 31<sup>st</sup> March, 2024</b>					
Mr. Anirudh Chittranjan Sonpal (DIN: 03367049)	6	Yes	0	1	1
Mr. Dharmendra Pawar (DIN: 08068916)	7	Yes	0	2	2
Mrs. Alka Sagar (DIN: 07138477)	7	Yes	0	0	0
Mr. Saurabh Kalani (DIN: 00699380)	7	Yes	1	1	0
Mr. Jagdish Prasad Pandey (DIN: 00225969)	7	Yes	0	0	0
Mr. Rahul Chouhan (DIN: 03307553)	7	Yes	0	0	0

**Note:** \* Re-appointment of Mrs. Alka Sagar as Director of the Company, who is liable to retire by Rotation by the Company on 29<sup>th</sup> September 2023 in AGM.

\* Re-appointment of Mr. Jagdish Prasad Pandey as a Whole-Time director has been done for 3 years with effect from 11<sup>th</sup> September, 2023 i.e. (11<sup>th</sup> September, 2023 – 10<sup>th</sup> September, 2026) by the Company on 16<sup>th</sup> November 2023 in EGM.

\* Re-appointment of Mr. Saurabh Kalani as a Whole-Time director has been done for 3 years with effect from 1<sup>st</sup> April, 2024 i.e. (1<sup>st</sup> April, 2024 – 31<sup>st</sup> March, 2027) by the Company on 16<sup>th</sup> November 2023 in EGM.

**No. of Board Meetings held during the year**

During the year under review, 7(Seven) board meetings were held on below-mentioned dates:

S. No.	Date	S. No.	Date
1	30 <sup>th</sup> May, 2024	2	11 <sup>th</sup> August, 2023
3	24 <sup>th</sup> August, 2023	4	4 <sup>th</sup> October, 2023
5	18 <sup>th</sup> October, 2023	6	11 <sup>th</sup> November, 2023
7	2 <sup>nd</sup> February, 2024		

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.

**Disclosure of relationship between directors inter-se.**

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 non-executive directors were holding shares & convertible instruments of the Company as on 31<sup>st</sup> March, 2024.

**Familiarization Programmes**

The details of familiarization programmes are available on the website of the Company viz. <https://flexituff.com/wp-content/uploads/2024/02/Policies-Programmes-Familiarisation-Programme.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.

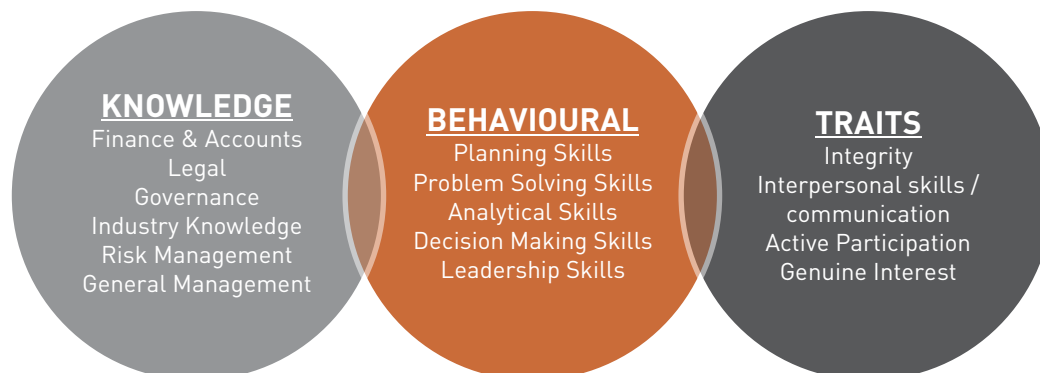
Based on the disclosures received from all the Independent Directors and in the opinion of the Board, fulfill the criteria of independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations and are independent of management.

Schedule IV of the Companies Act, 2013 and the Rules there under mandate that the independent directors of the Company shall hold atleast 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 on 2<sup>nd</sup> February, 2024 without the presence of the Management.

**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	Atka Sagar	Saurabh Kalani	Rahul Chouhan	Jagdish Prasad Pandey
Finance & Accounts	Yes	Yes	Yes	Yes	Yes	Yes
Legal	Yes	Yes	Yes	Yes	Yes	Yes
Governance	Yes	Yes	Yes	Yes	Yes	Yes
Industry Knowledge	Yes	Yes	Yes	Yes	Yes	Yes
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes

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

## COMMITTEES OF THE BOARD

The Board of Directors has constituted 6 (Six) 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 Regulation 18 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 2023-24		
		Held during the year	Liable to Attend	Attended
<b>Composition as on 31<sup>st</sup> March, 2024</b>				
Mr. Anirudh Chittaranjan Sonpal	Chairman, Non-Executive (Independent)	5	5	4
Mr. Saurabh Kalani	Member, Executive	5	5	5
Mr. Dharmendra Pawar	Member, Non-Executive (Independent)	5	5	5

#### Secretary to the Committee:

Mr. Rishabh Kumar Jain

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:

S. No.	Date	S. No.	Date
1	30 <sup>th</sup> May, 2023	2	11 <sup>th</sup> August, 2023
3	24 <sup>th</sup> August, 2023	4	11 <sup>th</sup> November, 2023
5	2 <sup>nd</sup> February, 2024		

#### 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 2023-24		
		Held during the year	Liable to Attend	Attended
<b>Composition as on 31<sup>st</sup> March, 2024</b>				
Mr. Dharmendra Pawar	Chairman, Non-Executive (Independent)	3	3	3
Mrs. Alka Sagar	Member, Non-Executive	3	3	3
Mr. Anirudh Chittaranjan Sonpal	Member, Non-Executive (Independent)	3	3	2

### **Secretary to the Committee:**

Mr. Rishabh Kumar Jain

During the year under review, 3 (Three) Nomination & Remuneration Committee Meetings were held on below-mentioned dates:

S. No.	Date	S. No.	Date
1	30 <sup>th</sup> May, 2023	2	18 <sup>th</sup> October, 2023
3	2 <sup>nd</sup> February, 2024		

### **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, it's Committees and Individual Directors and reviews 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-Programme-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:

(Rs. in Millions)

Name of Director	Salary, Allowance & benefit	Reimbursement	Bonus	Pension	Provident Fund	Stock Options	Sitting Fees	Total
Mr. Saurabh Kalani	-	-	-	-	-	-	-	-
Mr. Jagdish Prasad Pandey	-	-	-	-	-	-	-	-
Mr. Anirudh Sonpal	-	-	-	-	-	-	0.22	0.22
Mrs. Alka Sagar	-	-	-	-	-	-	0.27	0.27
Mr. Dharmendra Pawar	-	-	-	-	-	-	0.27	0.27
Mr. Rahul Chouhan	-	-	-	-	-	-	-	-

***Due to non-availability of lenders approval as required under Section 197 read with Schedule V of the Companies Act, 2013 managerial remuneration was not provided to all Whole-time Directors.***

### **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 2023-24		
		Held during the year	Liable to Attend	Attended
<b>Composition as on 31<sup>st</sup> March, 2024</b>				
Mr. Dharmendra Pawar	Chairman, Non-Executive (Independent)	4	4	4
Mr. Anirudh Chittaranjan Sonpal	Member, Non-Executive (Independent)	4	4	3
Mrs. Alka Sagar	Member, Non-Executive	4	4	4

**Secretary to the Committee:**

Mr. Rishabh Kumar Jain

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

S. No.	Date	S. No.	Date
1	30 <sup>th</sup> May, 2023	2	11 <sup>th</sup> August, 2023
3	11 <sup>th</sup> November, 2023	4	2 <sup>nd</sup> February, 2024

**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**

Mr. Rishabh Kumar Jain, Company Secretary of the Company acts as the Compliance Officer.

**Details of shareholders' complaints during the year 2023-24\*:**

No. of complaints as on 01.04.2023	Received during the year	Resolved during the year	No. of complaints as on 31.03.2024
NIL	1	1	NIL

\*The above data is based on report downloaded from SEBI Complaints Redress System (SCORES) & certificate received from Link In-time 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 2023-24		
		Held during the year	Liable to Attend	Attended
<b>Composition as on 31<sup>st</sup> March, 2024</b>				
Mr. Saurabh Kalani	Chairman, Executive	1	1	1
Mrs. Alka Sagar	Member, Non-Executive	1	1	1
Mr. Dharmendra Pawar	Member, Non-Executive (Independent)	1	1	1

**Secretary to the Committee:**

Mr. Rishabh Kumar Jain

During the year under review, 1 (One) Corporate Social Responsibility Committee Meeting was held on **30<sup>th</sup> May, 2023**.

**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. (<https://flexituff.com/wp-content/uploads/2023/12/CSR-Policy-30.05.2023.pdf>)

**SHARE ALLOTMENT COMMITTEE**

Board has constituted Share Allotment Committee on 4<sup>th</sup> October, 2023 for the conversion of equity warrants and allotment of equity shares, in accordance with the provisions of the Companies Act.

Composition of the Committee is as under-

S. No.	Name of Director	Designation
1	Mr. Saurabh Kalani	Chairman
2	Mr. Jagdish Prasad Pandey	Member
3	Mr. Rahul Chouhan	Member
4	Mr. Ramesh Chand Sharma	Member
5	Mr. Rishabh Kumar Jain	Member

The quorum of the meeting of the Committee shall be Three members consisting any two from director member i.e. Mr. Saurabh Kalani, Mr. Jagdish Prasad Pandey and Mr. Rahul Chouhan and any one from other members i.e. Mr. Ramesh Chand Sharma and Mr. Rishabh Kumar Jain

**Details of Meetings & Attendance**

During the year under review, 5 (Five) Management Committee Meetings were held. The dates on which the said meetings were held are as follows:

S. No.	Date	S. No.	Date
1	14 <sup>th</sup> October, 2023	2	18 <sup>th</sup> October, 2023
3	19 <sup>th</sup> October, 2023	4	30 <sup>th</sup> October, 2023
5	31 <sup>st</sup> October, 2023		

Name of Members	Category	No. of meetings during the Financial Year 2023-24		
		Held during the year	Liable to Attend	Attended
<b>Composition as on 31<sup>st</sup> March, 2024</b>				
Mr. Saurabh Kalani	Chairman	5	5	5
Mr. Jagdish Prasad Pandey	Member	5	5	5
Mr. Rahul Chouhan	Member	5	5	5
Mr. Ramesh Chand Sharma	Member	5	5	5
Mr. Rishabh Kumar Jain	Member	5	5	5

**Secretary to the Committee:**

Mr. Rishabh Kumar Jain

**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 2023-24		
		Held during the year	Liable to Attend	Attended
<b>Composition as on 31<sup>st</sup> March, 2024</b>				
Mr. Saurabh Kalani	Chairman, Executive	15	15	15
Mr. Jagdish Prasad Pandey	Member, Executive	15	15	15
Mr. Rahul Chouhan	Member, Executive	15	15	15

**Secretary to the Committee:**

Mr. Rishabh Kumar Jain

During the year under review, 15 (Fifteen) Management Committee Meetings were held. The dates on which the said meetings were held are as follows:

S. No.	Date	S. No.	Date
1	14 <sup>th</sup> April, 2023	2	22 <sup>nd</sup> April, 2023
3	3 <sup>rd</sup> June, 2023	4	12 <sup>th</sup> August, 2023
5	17 <sup>th</sup> August, 2023	6	4 <sup>th</sup> September, 2023
7	15 <sup>th</sup> September, 2023	8	4 <sup>th</sup> October, 2023
9	11 <sup>th</sup> October, 2023	10	7 <sup>th</sup> November, 2023
11	11 <sup>th</sup> January, 2024	12	5 <sup>th</sup> February, 2024
13	22 <sup>nd</sup> February, 2024	14	8 <sup>th</sup> March, 2024
15	30 <sup>th</sup> March, 2024		

**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
30 <sup>th</sup>	2022-23	29 <sup>th</sup> September, 2023	04:00 P.M.	Through Video Conferencing ("VC")/Other Audio Video means ("OAVM")
29 <sup>th</sup>	2021-22	30 <sup>th</sup> September, 2022	04:00 P.M.	Through Video Conferencing ("VC")/Other Audio Video means ("OAVM")
28 <sup>th</sup>	2020-21	30 <sup>th</sup> September, 2021	04:00 P.M.	Through Video Conferencing ("VC")/Other Audio Video means ("OAVM")

### Special resolutions passed at last three AGM:

AGM	Financial Year	Special Resolution Passed
30 <sup>th</sup>	2022-23	1. Authorisation under Section 186 of the Companies Act, 2013. 2. Approval for Sale of FIBC business of the Company to Flexituff Technology International Limited.
29 <sup>th</sup>	2021-22	NA
28 <sup>th</sup>	2020-21	Approval for proposal for sale of Flexible Intermediate Bulk Container (FIBC) Business of the Pithampur unit of the Company.

### Extra-ordinary General Meeting

During the year under review, an extraordinary general meeting was held on 16<sup>th</sup> November, 2023.

EGM	Financial Year	Date	Time	Venue
1 <sup>st</sup>	2023-24	16 <sup>th</sup> November, 2023	04:00 P.M.	Through Video Conferencing ("VC")/Other Audio Video means ("OAVM")

### Special resolutions passed at EGM:

EGM	Financial Year	Special Resolution Passed
1 <sup>st</sup>	2023-24	Prior approval to lenders for an option to convert loan into equity shares u/s 62(3) of the Companies Act, 2013.

### 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 except Company has entered Business Transfer Agreement with Flexituff Technology International Limited, subsidiary company of the Flexituff Ventures International Limited for slump sale of FIBC business of Pithampur unit on 28<sup>th</sup> August, 2023.

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. (<https://flexituff.com/wp-content/uploads/2022/09/Policies-Programmes-RPT.pdf>)

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

No. of complaints as on 01.04.2023	Filed during the year	Disposed of during the year	No. of complaints as on 31.03.2024
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/2022/09/Policies-Programmes-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. For details, refer to Standalone and Consolidated audit reports, respectively.
- 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:

	(Rs. in Millions)
Payment to Statutory Auditor	2023-2024
Statutory Audit	1.25
Other Services including reimbursement of expenses	1.70
<b>Total</b>	<b>2.95</b>

- The credit rating assigned by ICRA Limited as on 31<sup>st</sup> March, 2024 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. (<https://flexituff.com/wp-content/uploads/2023/12/Code-of-Conduct-for-Board-and-Senior-Management.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. (<https://flexituff.com/wp-content/uploads/2023/12/Policy-for-determining-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 31<sup>st</sup> March, 2024.

#### **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
NIL							

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](http://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	25-11-2019	24,806
2012-13	30-09-2013	06-11-2020	2,264
2013-14	30-09-2014	06-11-2021	15,081
2014-15	30-09-2015	20-12-2022	888

#### **Shares transferred to IEPF**

During the year under review, the Company was not required to transfer shares to IEPF, 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](http://www.flexituff.com).

#### **Website**

The Company's website [www.flexituff.com](http://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 and 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](mailto:investors@flexituff.com) for investor servicing.

## 7. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date: 30/09/2024

Day: Monday

Time: 4:00 PM IST

Venue: C 41-50, SEZ, Sector-III, Pithampur, Distt. Dhar (M.P.) 454775

### Participation and voting at 31<sup>st</sup> Annual General Meeting

Pursuant to the General Circular File numbers policy 17/57/2021-CC-MCA dated 5<sup>th</sup> May, 2022 issued by the Ministry of Corporate Affairs and Circular number **SEBI/HO/CFD/CMD2/CIR/P/2021/11** issued by SEBI, the 31<sup>st</sup> Annual General Meeting 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 31<sup>st</sup> Annual General Meeting.

### 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 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400 001	533638	

The Listing / Annual Custody Fees for FY 2023-24 have been paid for all of the above stock exchanges and Depositories.

**Corporate Identification Number (CIN):** L25202MP1993PLC034616

### Market Price Data

High, low (based on monthly closing prices) and number of equity shares traded during each month in the year 2023-24 on BSE Limited and National Stock Exchange of India Limited:

Month and Year	BSE			NSE		
	High (Rs.)	Low (Rs.)	Traded Quantity	High (Rs.)	Low (Rs.)	Traded Quantity
April-23	34.39	26.72	65,731	34.80	27.10	1,65,000
May-23	31.56	26.85	70,165	31.95	26.70	3,53,000
Jun-23	31.8	25.65	86,458	31.60	25.40	6,00,000
Jul-23	29.25	24.8	38,287	28.60	25.65	2,89,000
Aug-23	46.86	26.25	3,23,374	46.60	24.15	32,30,000
Sep-23	42.99	35.35	52,154	43.75	35.60	3,16,000
Oct-23	50.78	41.01	42,729	51.45	40.00	3,93,000
Nov-23	48	39.38	74,054	46.70	39.80	2,96,000
Dec-23	57.67	43.51	1,74,340	56.50	43.55	7,94,000
Jan-24	57.97	46.2	54,817	54.95	47.05	4,23,000
Feb-24	50.34	36.64	1,26,277	49.90	36.45	5,65,000
Mar-24	47.48	32.01	2,92,607	46.75	33.00	9,11,000

**Registrar and Share Transfer Agent****Link In-time 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 31<sup>st</sup> March, 2024**

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

No. of equity shares held	No. of share holders	% of shareholders	No. of share held	% of total shares held	Amount (In Rs.)
1 to 500	3909	83.3120	337008	1.0976	3370080
501 to 1000	325	6.9267	269892	0.8790	2698920
1001 to 2000	143	3.0477	218141	0.7105	2181410
2001 to 3000	52	1.1083	134980	0.4396	1349800
3001 to 4000	28	0.5968	100404	0.3270	1004040
4001 to 5000	38	0.8099	183360	0.5972	1833600
5001 to 10000	56	1.1935	410998	1.3386	4109980
10001 and above	141	3.0051	29049299	94.6105	290492990
<b>Total</b>	<b>4692</b>	<b>100.0000</b>	<b>30704082</b>	<b>100.0000</b>	<b>307040820</b>

**Categories of equity shareholders as on 31<sup>st</sup> March, 2024**

Category	No. of Equity Shares held	Percentage of holding [%]
Indian Promoters (Corporates)	8181603	26.6466
Banks, FIs, Insurance Companies	1469365	4.7856
Foreign Portfolio Investors (Corporate)	231110	0.7527
Other Bodies Corporate	7272445	23.6856
Foreign Companies	3129446	10.1923
Non Resident	57036	0.1071
Clearing Members	1145	0.0037
Hindu Undivided Family	251999	0.8207
Public	8875337	28.9060
LLP	51000	0.1661
Investor Education and Protection Fund	167	0.0005
Relatives of Director	7600	0.0248
<b>Grand Total</b>	<b>30704082</b>	<b>100.00</b>

**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 31<sup>st</sup> March 2024, 87.55% equity shares are in demat form and remaining 12.45% equity shares are in physical form.

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

**Outstanding GDRs/ADRs/Warrants or any Convertible Instruments**

- 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 due on 26<sup>th</sup> April, 2018. On the request of the Company, TPG extended the said repayment to 30<sup>th</sup> June, 2018 and thereafter for a period of Forty-Eight (48) Months from 30<sup>th</sup> June, 2018 on revised rate of interest of 9.64% and other 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 due on 29<sup>th</sup> January, 2019, The Company has defaulted in repaying the said FCCBs on due date.
- As per One Time Settlement with TPG and IFC, on 30<sup>th</sup> April, 2024 Company has paid full amount of loan to TPG and IFC. Hence, conversion of Bonds not required.

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 has a natural hedging as it generates maximum revenue from export. Hence company did not require to hedge foreign currency rate for import and other payable in foreign currency.

**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. Udham Singh Nagar – 244713  
Uttarakhand

**Address for Correspondence**

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

**Link In-time 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](mailto:mumbai@linkintime.co.in)  
Website: [www.linkintime.co.in](http://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 redressal 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., Company Secretary, Indore, and 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., Company Secretary, Indore, 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 and the Chief Financial Officer 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 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 dematerialized 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](http://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.).

## **12. DETAILS OF SENIOR MANAGEMENT**

Details of senior management is available on Company's website [www.flexituff.com](http://www.flexituff.com). There is no change in senior management.

## **13. DISCLOSURE UNDER REGULATION 30A I.E. DISCLOSURE REQUIREMENTS FOR CERTAIN TYPES OF AGREEMENT BINDING LISTED ENTITIES**

There is no such agreement that subsist as on the date of notification of clause 5A to para A of part A of schedule III.

## **14. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH CONVERSION OF WARRANTS**

The Company has converted 38,21,276 warrants (issued on preferential basis on 28<sup>th</sup> March, 2023) into Equity Shares on 14<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> of October which resulted in increase of equity share from 2,68,82,806 equity shares to 3,07,04,082 equity shares.

Full amount of such warrant conversion has been utilized as per object mentioned in the notice of Extra Ordinary General



Meeting (EGM) dated 16.11.2023.

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

Date: 14/08/2024  
Place: Pithampur

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

**Rahul Chouhan**  
Whole-Time Director  
(DIN: 03307553)

**ED/CFO CERTIFICATION**  
**(Pursuant to regulation 17(8) of SEBI (LODR), 2015)**

We hereby certify that:

- a) We have reviewed the Audited Standalone & Consolidated Financial Statements & the Cash Flow statement for the year ended 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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.

For **Flexituff Ventures International Limited**

Date: 30.05.2024  
Place: Pithampur

**Rahul Chouhan**  
Whole-Time Director  
(DIN: 03307553)

**Ramesh Chand Sharma**  
Chief Financial Officer

## COMPLIANCE CERTIFICATE

{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**  
(CIN: L25202MP1993PLC034616)

We have examined the compliance of conditions of Corporate Governance by **Flexituff Ventures International Limited**, for the year ended March 31, 2024, as stipulated in Regulation 34(3) read with Schedule V 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 by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In 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 Obligation and Disclosure Requirement) Regulation, 2015.

We 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  
UDIN: F005200F000979734

Date: 14/08/2024  
Place: Indore

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(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**  
C41-50, Sec No. III, SEZ Industrial Area,  
Pithampur, Indore MP- 454775

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the **Flexituff Ventures International Limited** having (CIN: L25202MP1993PLC034616) having registered office at C41-50, Sec No. III, SEZ Industrial Area, Pithampur, Indore MP- 454775(hereinafter referred to as 'the Company'), produced before me, 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 31<sup>st</sup> March, 2024 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 Directors	DIN	Date of Appointment
1.	Jagdish Prasad Pandey	00225969	11/09/2020
2.	Saurabh Kalani	00699380	30/05/2012
3.	Rahul Chouhan	03307553	12/11/2021
4.	Anirudh Chittaranjan Sonpal	03367049	09/12/2010
5.	Alka Sagar	07138477	31/03/2015
6.	Dharmendra Pawar	08068916	14/02/2020

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**

**Ritesh Gupta**  
CP: 3764 | FCS: 5200  
UDIN: F005200F000979701

Date: 14/08/2024  
Place: Indore

## INDEPENDENT AUDITOR'S REPORT

To the Members of Flexituff Ventures International Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

1. We have audited the accompanying standalone financial statements of **Flexituff Ventures International Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").
2. 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 of 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 so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis of Qualified Opinion

3. We draw attention to the following matters:
  - (a). The Company has recognized deferred tax asset (net) of ₹1,851.09 million on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Due to the financial difficulties experienced by the Company as stated in Note 22(d) and Note 25(c) to the standalone financial statements and significant uncertainty stated in Note 53 to the standalone financial statements, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the standalone financial statements. Had the Deferred tax asset not

been created, the net loss and total comprehensive loss for the year ended 31 March 2024 would have been higher by ₹ 1,851.09 million and other equity as on that date would have been lower by the same amount.

- (b). The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹2,626.42 million as at 31 March 2024 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 25(c) to the standalone financial statements and there is significant uncertainty as cited in Note 53 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 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 standalone financial statements with regard to the CGU.
- (c). The Company has Tuff Subsidy and Government Subsidy receivable amounting to ₹ 69.03 million which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same. (Refer Note 56 to the standalone financial statements).
- (d). The Company has claims amounting to ₹ 103.52 million of export incentive receivable. We are unable to comment on the recoverability of the same. (Refer Note 57 to the standalone financial statements).
4. We conducted our audit in accordance with the Standards on Auditing (SA's) and other pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Material Uncertainty Related to Going Concern**

5. We draw attention to Note 53 to the standalone financial statements which states that the Company has incurred net losses of ₹1,850.88 million during the year ended 31 March 2024 and has a net current liability position of ₹7,416.39 million as on that date and describes certain loans in default for which the Company has entered into a one - time settlement with FCCB's holders. Further, the Company's ability to meet its future obligations is dependent on successful implementation of the restructuring agreement. These conditions indicate significant doubt on the Company's ability to continue as going concern. The Company is in the process of implementing restructuring agreement. In view of the above, the standalone financial statements of the Company have been prepared on a going concern basis. (Refer Note 60 to the standalone financial statements).

Our opinion on the standalone financial statements is not modified in respect of this matter.

**Emphasis of Matters**

6. We draw attention to  
The Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30<sup>th</sup> April, 2024 and 29<sup>th</sup> April, 2024 respectively (Refer Note 54 to the standalone financial statements).

The Company has not accrued interest amounting to ₹238.75 million, ₹272.62 million, ₹203.07 million, ₹171.44 million and ₹183.29 million for the year ended March 31, 2024, for the year ended March 31, 2023, for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to ₹1,069.17million. This amount of ₹1,069.17 million has been waived by FCCB's holders. (Refer Note 54 to the standalone financial statements).

Our opinion on the standalone financial statements is not modified in respect of these matters.

**Key Audit Matters**

7. Except for the matter described in the Basis for Qualified Opinion section, Material Uncertainty Related to Going Concern section and Emphasis of Matters section, we have determined that there are no other key audit matters to communicate in our report.

**Information other than the Standalone Financial Statements and Auditor's Report thereon**

8. The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of this other information, we are required to report that fact. We have nothing to report in this regard.

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

9. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. 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**

12. 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 SA's 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.
13. As part of an audit in accordance with SA's issued by ICAI, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by

management;

- Conclude on the appropriateness of Board of Directors' 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
14. 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.
  15. 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.

### **Report on Other Legal and Regulatory Requirements**

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by section 143(3) of the Act, based on our audit 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 purpose of our audit of the accompanying standalone financial statements except as mentioned in the para ii(b) of Annexure I of this report;
  - 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 and the Statement of Profit and Loss (including Other Comprehensive Income) are in agreement with the books of account of the Company;
- d). Except for the effects of the matters described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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; and
- 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 II".
- 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 (as amended), 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 as at 31 March 2024 in its standalone financial statements – Refer Note 40 to the standalone financial statements;
  - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or

indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v The Company has neither declared nor paid any dividends during the year ended 31 March 2024.
- vi Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2021 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2021 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- vii As per the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, provisions of Section 197 are not applicable to the Company.

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

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 24074991BKEFJO4472

**Place:** Indore  
**Date:** May 30, 2024



## ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section in our report of even date, to the members of Flexituff Ventures International Limited for the year ended 31 March 2024]**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i In respect of the Company's property, plant and equipment and intangible assets:
    - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
    - (B) The company has maintained proper records showing full particulars of intangible assets.
    - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
    - (c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company we report that the title deeds in respect of immovable properties are held in the name of the Company. In respect of immovable properties, taken on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
    - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
    - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for
- holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii (a) 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, coverage and procedure of such verification is reasonable and coverage as followed by management were appropriate. According to information and explanations given to us and on the basis of our examination of the records of the Company, no material discrepancies were noticed on verification between the physical stocks and the book records.
    - (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the Company has not provided us with the quarterly returns or statements filed by the Company to the banks or financial institutions. Accordingly, in the absence of required information we are unable to comment on whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company or not.
  - iii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investment and granted loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below. The Company has not provided any guarantee or security nor granted any advances in the nature of loans, to companies, firms, Limited Liability Partnerships or any other parties during the year.
    - (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantee, made investment loans to companies, firms, limited liability Partnerships or any other parties during the year.

The details as under:

**(Amount in Rs million)**

Particulars	Guarantee	Investment	Loans
Aggregate amount provided/ made/ granted during the year			
- Subsidiaries	Nil	5.66	53.79
- Others	Nil	Nil	Nil
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	Nil	5.76	275.70
- Others	20.11	Nil	Nil

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have not been stipulated. In the absence of stipulation of repayment terms we are unable to comment on the regularity of repayment of principal and payment of interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the reporting under clause 3(iii) (e) of the Order is not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

**(Amount in Rs million)**

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans			
Repayable on demand (A)	275.70	Nil	275.70
Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	275.70	Nil	275.70
Percentage of loans/advances in nature of loans to the total loans	100%	Nil	100%

- iv According to the information and explanations given to us and on the basis of our examination of records of the Company, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") with respect of investments made and loans, guarantees provided by the Company. The Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing securities is not applicable to the Company.
- v According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence the reporting under clause 3(v) of the order is not applicable.
- vi The maintenance of the cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii (a) In our opinion, and according to the information and explanations given to us and based on our examination of the books of the Company, the Company is generally regular in depositing undisputed statutory dues including, provident fund, employee's state insurance, Goods and Service Tax, income-tax, and any other material statutory dues to the appropriate authorities.

Statutory dues which were outstanding, as at 31 March 2024 for a period of more than six months from the date

they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment
EPF Act, 1952	Provident Fund Contribution	97.50	Prior to F.Y. 2023-24	-	-
		81.90	April, 2023 to Sept, 2023	Various dates	-
ESI Act, 1948	ESI Contribution	3.05	Prior to F.Y. 2023-24	-	-
		8.10	April, 2023 to Sept, 2023	Various dates	-

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of disputes are given below:

Name of the statute	Nature of dues	Amount Demanded (Rs. Million)	Amount Paid (Rs. Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax, penalty and interest thereon	116.00	40.66	F.Y. 2004-05 to 2006-07 F.Y. 2009-10 F.Y. 2011-12 to 2017-18 F.Y. 2021-22	Commissioner of Income Tax (Appeals)
		0.02	0.81	FY 2011-12	Income Tax Appellate Tribunal
Central Sales Tax Act, 1956	Sales Tax	32.29	9.33	FY 2009-10 to 2014-15	Appellate Authority - Commissioner's Level, Haldwani
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	11.20	9.43	FY 2012-13 to FY 2014-15	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
Central Goods and Service Tax, 2017 & State Goods and Service Tax Act, 2017, Integrated Goods and Service Tax Act, 2017	Service Tax, penalty and interest thereon	0.36	--	FY 2017-18	Appellate Authority - Commissioner's Level
	CGST, SGST, penalty interest thereon	557.68	0.73	FY 2017-18 to FY 2019-20	Honorable Uttarakhand High Court

- viii In our opinion and according to the information and explanations given to us, there are no transactions relating to previously unrecorded income that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- ix (a) According to the information and explanations given to us and as per the books of accounts and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender except in the following cases, details of which are as follows:

Particulars	Amount of default as at 31 March 2024 (Rs in million)		Period of the default since
	Principal	Interest @	
<b>Name of the lenders in case of:</b>			
i) Financial Institution:			
1. IFCI Limited	359.42	273.96	July 2019
2. International Finance Corporation	750.37	286.37	January 2019
3. TPG Growth II SF Pte Ltd.	1,875.91	885.33	June 2019
ii) Bank:			
1. Punjab National Bank #	816.16	-	December 2021
2. Bank of Baroda #	434.29	-	January 2020
3. Central Bank of India #	546.97	-	December 2021
4. Axis Bank #	79.43	-	November 2022
5. UCO Bank	320.07	-	July 2023

@ The interest cited in above table is gross of interest not accrued as mentioned in Note 52 to the standalone financial statements

# The Company has over utilized the cash credit facilities based on drawing power sanctioned by banks in March 2024 due to devolvement of Letter of Credit issued by banks.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, no money was raised by way of term loans. Accordingly, the requirement under the clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, in our opinion, there are no funds raised on short term basis. Accordingly, the requirement under the clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.
- x (a) According to the information and explanations provided to us and based on our examination of the books of accounts and other records, we report that the Company has not raised any money by the way of initial public offer or further public offer (including debt instruments) during the year. Hence the reporting under clause 3(x)(a) of the order is not applicable.
- (b) According to the information and explanation provided to us and based on our examination of the books of accounts and other records, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Hence the reporting under clause 3 (x)(b) of the order is not applicable.
- xi (a) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government during the year and till the date of this report.

- (c) According to the information and explanations provided to us, no whistle blower complaints have been received during the year and upto the date of this report.
- xii The company is not a Nidhi Company and hence the reporting under clause (xii) the Order is not applicable.
- xiii According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 188 of the Act where applicable and the details thereof have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports for the year under audit, issued to the company, in determining the nature, timing and extent of audit procedures.
- xv As per the information and explanations provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of section 192 of the Act are not applicable to the Company.
- xvi (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Hence, the reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) According to the information and explanation given to us by the management, in our opinion, there is no Core Investment Company as part of the Group. Hence, the reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii The Company has incurred cash loss (including unaccrued interest expense) of ₹2,008.89 million & ₹ 795.62 during the financial years ended 31 March 2024 and 31 March 2023 respectively.
- xviii There has been no resignation of the statutory auditors during the year.
- xix On the basis of the financial ratios, ageing and expected dates of realization of assets and payment of financial liabilities, other than information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx The provisions of section 135 of the Act are not applicable to the company for the year under audit and hence the reporting under clause 3(xx)(a)&(b) of the order is not applicable.
- xxi There are no Qualifications/adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) Reports of the companies included in the consolidated financial statements. hence the reporting under clause 3 (xxi) of the Order is not applicable.

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

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 24074991BKEFJO4472

**Place:** Indore  
**Date:** May 30, 2024

## ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 17(h) under 'Report on Other Legal and Regulatory Requirements' section in our report of even date, to the members of Flexituff Ventures International Limited for the year ended 31 March 2024)

We have audited the internal financial controls over financial reporting of Flexituff Ventures International Limited ("the Company") as of March 31, 2024 in conjunction with our audit of 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 with reference to the standalone financial statements based on the internal control over financial reporting 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). 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 accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control with reference to the standalone financial statements based on our audit. We conducted audit in accordance with the Guidance Note on Audit of Internal Financial control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Company's Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained end of such controls operate effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial control systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of financial statements, weather 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 control system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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 the standalone financial statement for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertains to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the asset of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with the 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 unauthorised acquisition, use, or disposition of the Company's asset that could have a material effect on the standalone financial statements.

### Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material statement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subjected to the risk that the internal financial controls over financial reporting 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, an adequate internal financial controls system over financial reporting and search internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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 ICAI.

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

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 24074991BKEFJO4472

**Place:** Indore  
**Date:** May 30, 2024

## STANDALONE BALANCE SHEET AS AT 31 MARCH 2024

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

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	3,350.56	3,749.55
Other Intangible Assets	6	21.25	109.20
Right-of-Use Assets	42	84.58	85.69
Investment in Subsidiaries and LLPs	7	6.15	0.49
<b>Financial Assets</b>			
Investments	8	0.01	0.01
Other Financial Assets	9	56.46	85.98
Deferred Tax Assets		1,851.09	1,129.67
Non-Current Tax Assets (net)	10	37.15	14.93
Other Non-Current Assets	11	0.31	0.36
<b>Total Non-Current Assets</b>		<b>5,407.56</b>	<b>5,175.88</b>
<b>Current Assets</b>			
Inventories	12	907.78	920.21
<b>Financial Assets</b>			
Trade Receivables	13	1,288.17	2,004.88
Cash and Cash Equivalents	14	993.20	29.77
Bank Balances other than Cash and Cash Equivalent	15	94.00	79.31
Loans	16	288.78	255.71
Other Current Financial Assets	17	122.32	104.07
Current Tax Assets (net)	18	11.38	17.70
Other Current Assets	19	394.79	612.66
<b>Total Current Assets</b>		<b>4,100.42</b>	<b>4,024.31</b>
<b>Total Assets</b>		<b>9,507.98</b>	<b>9,200.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	20	307.04	268.83
Other Equity	21	(2,498.26)	(687.96)
<b>Total Equity</b>		<b>(2,191.22)</b>	<b>(419.14)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	22	-	-
Lease Liabilities	41	72.34	75.10
Provisions	24	110.05	62.28
Deferred Tax Liability (Net)	38	-	-
<b>Total Non-Current Liabilities</b>		<b>182.39</b>	<b>137.38</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	25	6,409.71	6,438.10
Lease Liabilities	41	19.40	12.69
Trade Payables	26	-	-
a) Outstanding Dues to Micro Enterprises and Small Enterprises		147.88	-
b) Outstanding Dues to Creditors other than Micro Enterprises and Small Enterprises		1,530.26	1,898.04
Other Current Financial Liabilities	27	916.29	872.83
Provisions	28	2.93	2.04
Other Current Liabilities	29	2,490.34	258.25
<b>Total Current Liabilities</b>		<b>11,516.81</b>	<b>9,481.95</b>
<b>Total Liabilities</b>		<b>11,699.20</b>	<b>9,619.33</b>
<b>Total Equity and Liabilities</b>		<b>9,507.98</b>	<b>9,200.19</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the standalone financial statements.			

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Kumar Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

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

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income</b>			
Revenue from Operations	30	5,985.14	9,152.98
Other Income	31	79.17	141.76
<b>Total Income</b>		<b>6,064.31</b>	<b>9,294.74</b>
<b>Expenses</b>			
Cost of Material Consumed	32	3,648.49	5,331.10
Purchase of Stock-In-Trade		254.94	224.61
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	33	(37.63)	147.85
Employee Benefits Expense	34	1,697.77	1,753.93
Finance Costs	35	845.83	697.97
Depreciation and Amortization Expense	36	593.19	682.51
Other Expenses	37	1,628.56	1,891.77
<b>Total Expenses</b>		<b>8,631.15</b>	<b>10,729.74</b>
<b>Loss Before Tax</b>		<b>(2,566.84)</b>	<b>(1,435.00)</b>
<b>Income Tax Expense / (Credit)</b>			
Income Tax Charge for Previous Years	38	0.47	-
Deferred Tax Charge / (Benefit) (Excluding MAT Credit Entitlement)		(716.43)	(389.98)
<b>Total Income Tax (Credit) / Expense</b>		<b>(715.96)</b>	<b>(389.98)</b>
<b>Net Loss for the Year</b>		<b>(1,850.88)</b>	<b>(1,045.02)</b>
<b>Other Comprehensive Income / (Loss)</b>			
Items that will not to be Reclassified to Profit or Loss			
Re-measurement (Loss) / Gain on Defined Benefit Plans		(15.99)	0.94
Income Tax Effect on Above		4.99	(0.29)
<b>Other Comprehensive Income for the Year</b>		<b>(11.00)</b>	<b>0.65</b>
<b>Total Comprehensive Loss for the Year</b>		<b>(1,861.88)</b>	<b>(1,044.38)</b>
<b>Loss Per Share (Face Value of Rs. 10/- Each):</b>			
Basic Loss Per Share (INR)	39	(64.70)	(41.96)
Diluted Loss Per Share (INR)	39	(64.70)	(41.96)
Summary of Significant Accounting Policies	2		
The accompanying notes are an integral part of the Standalone Financial Statements			

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Kumar Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

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

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit Before Tax	(2,566.84)	(1,435.00)
Adjustments For:		
Depreciation and Amortization Expenses	593.19	682.51
Interest and Finance Charges	845.83	697.97
Interest Income	(34.78)	(35.34)
Provision for Doubtful Debts and Advances	162.94	188.17
Liabilities Written Back	(0.00)	(0.08)
Provision for Interest Receivable and Loan to Related Parties	41.04	41.31
(Profit)/Loss on Sale of Property, Plant & Equipment (Net)	-	0.97
Unrealized Foreign Exchange (Gain) (Net)	(3.32)	10.49
Provision for Retirement Benefits	(11.00)	0.65
<b>Operating Profit Before Working Capital Changes</b>	<b>(972.94)</b>	<b>151.65</b>
<b>Changes in Working Capital</b>		
Decrease in Trade Payables	(220.11)	(314.72)
Increase in Other Liabilities	343.69	94.20
Increase in Other Financial Liabilities	1,913.42	(62.93)
Increase in Provisions	48.66	6.62
Decrease in Trade Receivables	557.30	329.63
Decrease in Inventories	12.43	90.26
Decrease in Other Assets	217.92	49.48
Decrease in Other Financial Assets	12.15	26.54
Increase in Loans	(74.12)	(1.97)
Increase in Other Cash and Cash Equivalents	(14.69)	(31.24)
<b>Cash Generated from Operations</b>	<b>1,823.71</b>	<b>337.52</b>
Income Tax Paid	(21.36)	16.00
<b>Net Cash Inflows from Operating Activities (A)</b>	<b>1,802.35</b>	<b>353.52</b>
<b>Cash Flows from Investing Activities</b>		
Payments for Property, Plant and Equipment and Intangible Assets (Net)	(48.39)	(16.84)
Purchase of Investments	(5.66)	-
Interest Received	33.90	34.91
<b>Net Cash Inflow from Investing Activities (B)</b>	<b>(20.15)</b>	<b>18.07</b>
<b>Cash Flows from Financing Activities</b>		
Net Proceeds/(Repayment) of Borrowings	(64.73)	(1.08)
Principal Elements of Lease Payments	(16.46)	(4.16)
Interest and Finance Charges Paid	(827.39)	(522.44)
Proceeds from Issue of Equity Shares	72.85	-
Proceeds from Issue of Shares Warrants	16.95	110.52
<b>Net Cash Outflow from Financing Activities (C)</b>	<b>(818.78)</b>	<b>(417.16)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>963.43</b>	<b>(45.57)</b>
Cash and Cash Equivalents at the Beginning of the Year	29.77	75.34
Cash and Cash Equivalents at the End of the Year	993.20	29.77
<b>Cash and Cash Equivalents Comprise (Refer Note 14)</b>		
Balances with Banks in Current Accounts	986.15	1.67
Fixed Deposits with maturity of less than 3 Months	3.95	26.27
Cash on Hand	3.10	1.83
<b>Total</b>	<b>993.20</b>	<b>29.77</b>
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 standalone financial statements.		

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Kumar Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

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

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>(A) Equity Share Capital</b>				
Equity Shares of Rs. 10 Each Issued, Subscribed and Fully Paid				
Balance at the Beginning of the Year	26.88	268.83	24.88	248.83
Add: Issued during the Year	3.82	38.21	2.00	20.00
<b>Balance at the End of the Year</b>	<b>30.70</b>	<b>307.04</b>	<b>26.88</b>	<b>268.83</b>

The Company had made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31 March 2023. Further, the Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs. 21.50 each share during the year ended 31 March, 2024.

(B) Other Equity	Money received against Share Warrants	Reserves & Surplus			Total
		Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at 31 March 2022</b>	-	<b>2,055.07</b>	<b>114.24</b>	<b>(1,903.42)</b>	<b>265.89</b>
Balance as at 1 April 2022	-	2,055.07	114.24	(1,903.42)	265.89
Loss for the Year	-	-	-	(1,045.02)	(1,045.02)
Other Comprehensive Income/(Loss)	-	-	-	0.65	0.65
Total Comprehensive Loss for the Year	-	-	-	(1,044.37)	(1,044.37)
Issue of Equity Shares at Premium	-	43.00	-	-	43.00
Issue of Share Warrants #	47.52	-	-	-	47.52
<b>Balance as at 31 March 2023</b>	<b>47.52</b>	<b>2,098.07</b>	<b>114.24</b>	<b>(2,947.79)</b>	<b>(687.96)</b>
Balance as at 1 April 2023	47.52	2,098.07	114.24	(2,947.79)	(687.96)
Loss for the Year	-	-	-	(1,850.88)	(1,850.88)
Other Comprehensive Income/(Loss)	-	-	-	(11.00)	(11.00)
Total Comprehensive Loss for the Year	-	-	-	(1,861.88)	(1,861.88)
Issue of Equity Shares at Premium	-	82.16	-	-	82.16
Balance amount received for the share warrants converted into equity shares	89.80	-	-	-	89.80
Conversion of Share Warrants into equity shares	(120.38)	-	-	-	(120.38)
<b>Balance as at 31 March 2024</b>	<b>16.94</b>	<b>2,180.23</b>	<b>114.24</b>	<b>(4,809.67)</b>	<b>(2,498.26)</b>

The Company had made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31 March 2023. Further, the Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs. 21.50 each share during the year ended 31 March, 2024.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
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Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer

Place: Pithampur  
Date: May 30, 2024

**NOTES FORMING PART OF THE STANDALONE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
MARCH 2024**

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

## MATERIAL 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 May 30, 2024."

### 2. MATERIAL ACCOUNTING POLICIES

Material 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). 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"

##### (d). 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.

##### (e). Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to

the nearest million as per the requirement of Schedule III, unless otherwise stated.

**(f). Recent pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**(g). Material accounting policy information**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves.

The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**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 lives
Factory building	30
Leasehold land	over the period of lease term
Office equipment	5
Plant and machinery	15
Electrical Installations	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 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.

#### 2.4 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 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. 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.

## 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 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.

### 2.10 Leases

#### As a lessee

"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."

## 2.11 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 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 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.

##### (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. 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.

**(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."

**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.

#### (e). Useful lives of property, plant and equipment

"The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods."



**5. PROPERTY, PLANT AND EQUIPMENT**

	Gross block					Depreciation				Net block
	As at 1 April 2023	Additions	Exchange Difference	Deductions	As at 31 March 2024	As at 1 April 2023	For the year	Deductions	As at 31 March 2024	As at 31 March 2024
<b>Owned assets</b>										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Buildings	1,283.63	18.52	5.56	-	1,307.71	325.37	49.60	-	374.97	932.74
Plant and machinery	6,067.22	15.54	30.29	-	6,113.05	3,511.86	415.26	-	3,927.12	2,185.93
Electrical installations	194.08	10.48	0.49	-	205.05	168.47	11.29	-	179.76	25.29
Furniture and fixtures	34.84	0.10	-	-	34.94	22.56	1.74	-	24.30	10.64
Office equipment	28.55	0.65	-	-	29.20	23.42	0.87	-	24.29	4.91
Vehicles	19.20	-	-	-	19.20	12.04	2.80	-	14.84	4.36
Computers	19.51	3.08	-	-	22.59	15.17	1.88	-	17.05	5.54
<b>Leased assets</b>										
Leasehold land	21.50	-	-	-	21.50	1.82	0.26	-	2.08	19.42
<b>Total</b>	<b>7,830.26</b>	<b>48.37</b>	<b>36.34</b>	<b>-</b>	<b>7,914.97</b>	<b>4,080.71</b>	<b>483.70</b>	<b>-</b>	<b>4,564.41</b>	<b>3,350.56</b>

	Gross block					Depreciation				Net block
	As at 1 April 2022	Additions	Exchange Difference	Deductions	As at 31 March 2023	As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023
<b>Owned assets</b>										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Buildings	1,248.81	3.91	30.91	-	1,283.63	276.40	48.97	-	325.37	958.26
Plant and machinery	5,892.07	11.88	168.35	5.08	6,067.22	3,029.03	485.93	3.10	3,511.86	2,555.36
Electrical installations	191.03	0.31	2.74	-	194.08	151.32	17.15	-	168.47	25.61
Furniture and fixtures	34.81	0.03	-	-	34.84	20.36	2.20	-	22.56	12.28
Office equipment	27.97	0.58	-	-	28.55	22.47	0.95	-	23.42	5.13
Vehicles	19.20	-	-	-	19.20	9.14	2.90	-	12.04	7.16
Computers	18.36	1.15	-	-	19.51	13.08	2.09	-	15.17	4.34
<b>Leased assets</b>										
Leasehold land	21.50	-	-	-	21.50	1.56	0.26	-	1.82	19.68
<b>Total</b>	<b>7,615.48</b>	<b>17.86</b>	<b>202.00</b>	<b>5.08</b>	<b>7,830.26</b>	<b>3,523.36</b>	<b>560.45</b>	<b>3.10</b>	<b>4,080.71</b>	<b>3,749.55</b>

**Note:** Refer to Note 22 and 25 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 2023	Additions internally developed	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	For the year	Deductions	As at 31 March 2024	As at 31 March 2024
<b>Other intangible assets</b>										
Patents	0.36	-	-	-	0.36	0.36	-	-	0.36	-
Computer software	4.32	-	0.02	-	4.34	4.10	0.05	-	4.15	0.19
Development asset	806.07	-	-	-	806.07	697.09	87.92	-	785.01	21.06
<b>Total</b>	<b>810.75</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>810.77</b>	<b>701.55</b>	<b>87.97</b>	<b>-</b>	<b>789.52</b>	<b>21.25</b>

	Gross block					Amortisation				Net block
	As at 1 April 2022	Additions internally developed	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023
<b>Other intangible assets</b>										
Patents	0.36	-	-	-	0.36	0.36	-	-	0.36	-
Computer software	4.32	-	-	-	4.32	4.05	0.05	-	4.10	0.22
Development asset	806.07	-	-	-	806.07	580.74	116.35	-	697.09	108.98
<b>Total</b>	<b>810.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>810.75</b>	<b>585.15</b>	<b>116.40</b>	<b>-</b>	<b>701.55</b>	<b>109.20</b>



## 7. INVESTMENT IN SUBSIDIARIES AND LLPs

	31 March 2024	31 March 2023
<b>Investment in subsidiaries</b>		
<b>- Equity instruments at cost (unquoted)</b>		
2,00,000 (31 March 2023: 2,00,000) Equity shares of Euro 1 each fully paid-up in Flexiglobal Holding Ltd., Cyprus	12.52	12.52
Less: Impairment of investment	(12.52)	(12.52)
	-	-
5,76,000 (31 March 2023: 10,000) Equity shares of Rs. 10 each fully paid-up in Flexituff Technology International Limited	5.76	0.10
<b>Investments in Limited Liability Partnerships (LLPs) through capital contribution at cost:</b>		
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	0.07	0.07
Flexituff Sailendra Kalita LLP	0.08	0.08
<b>Total investment in subsidiaries and LLPs</b>	<b>6.15</b>	<b>0.49</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>12.52</b>	<b>12.52</b>

## 8. INVESTMENTS

	31 March 2024	31 March 2023
<b>Investment in equity shares at fair value through profit and loss</b>		
<b>Unquoted</b>		
1,100 (31 March 2023: 1,100) Equity Shares of Rs. 10 each fully paid-up in Neemuch Solid Waste Management Private Limited	0.01	0.01
<b>Total investments</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate book value of:</b>		
Unquoted investments	6.16	0.50
<b>Aggregate market value of:</b>		
Unquoted investments	6.16	0.50

## 9. NON-CURRENT FINANCIAL ASSETS - OTHERS

	31 March 2024	31 March 2023
Fixed deposits with maturity for more than 12 months from balance sheet date (refer note below)	4.00	29.53
Security deposits	52.46	56.45
<b>Total Non-current Financial Assets - Others</b>	<b>56.46</b>	<b>85.98</b>

\* Out of the total Fixed Deposits ("FD's") balance of Rs 4.00 millions (31 March 2023: 29.53 millions), the FD's of Rs Nil (31 March 2023: Nil) million are given as tender money, FD of Rs Nil (31 March 2023: Nil) is pledged to a lender and the balance FD's of Rs. 4.00 millions (31 March 2023 : 29.53 millions) are earmarked against credit facilities and bank guarantees availed by the Company.

**10. NON-CURRENT TAX ASSETS (NET)**

	31 March 2024	31 March 2023
Advance Income Tax (Net)	37.15	14.93
<b>Total Non-current Tax Assets (Net)</b>	<b>37.15</b>	<b>14.93</b>

**11. OTHER NON-CURRENT ASSETS**

	31 March 2024	31 March 2023
Balances with Government Authorities	0.23	0.23
Prepaid expenses	0.08	0.13
<b>Total Other Non-current Other Assets</b>	<b>0.31</b>	<b>0.36</b>

**12. INVENTORIES \***

	31 March 2024	31 March 2023
(valued at lower of cost and net realizable value)		
Raw materials and components	72.95	128.77
Raw materials in transit	0.50	7.40
Work in progress	416.02	286.96
Finished goods	286.20	377.63
Consumables	88.14	67.16
Store and spares parts including packing material	43.97	52.29
	<b>907.78</b>	<b>920.21</b>

\* Hypothecated as charge against borrowings. Refer Note 22 and 25

Write-downs of inventories (net of reversal) to net realisable value amounted to Rs. 2.86 million (31 March 2023 - Rs. 2.24 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 2024	31 March 2023
Trade receivables	1,442.67	1,692.12
Receivables from related parties (Refer Note 43)	462.26	766.58
Less: Loss Allowance	(616.76)	(453.82)
<b>Total Trade Receivables</b>	<b>1,288.17</b>	<b>2,004.88</b>
<b>Break-up of security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,865.63	2,401.46
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	39.30	57.24
<b>Total</b>	<b>1,904.93</b>	<b>2,458.70</b>
Loss allowance	(616.76)	(453.82)
<b>Total trade receivables</b>	<b>1,288.17</b>	<b>2,004.88</b>

#### Trade Receivables Ageing Schedule \*

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	537.64	259.44	108.16	140.56	53.69	766.14	1,865.63
(ii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	39.30	39.30
<b>As at March 31, 2024</b>	<b>537.64</b>	<b>259.44</b>	<b>108.16</b>	<b>140.56</b>	<b>53.69</b>	<b>805.44</b>	<b>1,904.93</b>

#### Trade Receivables Ageing Schedule \*

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	898.49	98.23	100.83	21.21	234.64	1,048.06	2,401.46
(ii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	57.24	57.24
<b>As at March 31, 2023</b>	<b>898.49</b>	<b>98.23</b>	<b>100.83</b>	<b>21.21</b>	<b>234.64</b>	<b>1,105.30</b>	<b>2,458.70</b>

\* The ageing schedule is prepared considering the credit period of 90 days for receivables from Domestic sales, 120 days for receivables from Merchant Export Sales and 180 days for receivables from Export Sales.

**14. CASH AND CASH EQUIVALENTS**

	31 March 2024	31 March 2023
Balances with banks		
- in current accounts	986.15	1.67
- fixed deposits with maturity of less than three months *	3.95	26.27
Cash on hand	3.10	1.83
<b>Total cash and cash equivalents</b>	<b>993.20</b>	<b>29.77</b>

\* Out of total Fixed Deposits ("FD's") of Rs 3.95 million (31 March 2023 : 26.27 millions), FD's of Nil (31 March 2023 : Nil) are given as tender money and balance FD's of Rs 3.95 million (31 March 2023 : 26.27 million) are earmarked against the credit facilities and bank guarantees availed by the company.

**15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT**

	31 March 2024	31 March 2023
Fixed deposit with maturity for more than three months but less than twelve months from balance sheet date*	94.00	79.31
<b>Total bank balances other than cash and cash equivalent</b>	<b>94.00</b>	<b>79.31</b>

\* Out of total Fixed Deposits ("FD's") of Rs 94.00 million (31 March 2023 : 79.31 millions), FD's of Rs 42.22 millions (31 March 2023 : 35.36 millions) are given as tender money and balance FD's of Rs 51.78 millions (31 March 2023 : 43.95 millions) are earmarked against the credit facilities and bank guarantees availed by the company.

**16. CURRENT FINANCIAL ASSETS - LOANS**

	31 March 2024	31 March 2023
<b>Unsecured, considered good</b>		
Loans to related parties (Refer Note 43)	288.78	255.71
<b>Total Current Financial Assets - Loans</b>	<b>288.78</b>	<b>255.71</b>
<b>Break-up of security details</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	288.78	255.71
Loans considered doubtful - Unsecured	174.45	133.40
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>463.23</b>	<b>389.11</b>
Less : Loss allowance	(174.45)	(133.40)
<b>Total Loans</b>	<b>288.78</b>	<b>255.71</b>

\*Loans to related parties include the interest portion receivable on loans given.

## 17. CURRENT FINANCIAL ASSETS - OTHERS

	31 March 2024	31 March 2023
Accrued interest	5.86	4.98
Advance to staff	19.47	12.74
Advance recoverable in cash	0.24	0.79
Security deposit	96.75	85.56
<b>Total Current Financial Assets - Others</b>	<b>122.32</b>	<b>104.07</b>

## 18. CURRENT TAX ASSETS

	31 March 2024	31 March 2023
Current tax Assets	11.38	17.70
	<b>11.38</b>	<b>17.70</b>

## 19. OTHER CURRENT ASSETS

	31 March 2024	31 March 2023
Advance to suppliers *	64.24	55.18
Balance with government authorities	272.41	467.41
Deposits with government authorities	50.09	50.08
Advance to employees	-	17.31
Prepaid expenses	8.05	22.68
<b>Total Other Current Assets</b>	<b>394.79</b>	<b>612.66</b>
<b>* Advance to Suppliers</b>		
- Unsecured considered good	64.24	55.18
<b>Total</b>	<b>64.24</b>	<b>55.18</b>

## 20. EQUITY SHARE CAPITAL

	31 March 2024	31 March 2023		
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.				
<b>Authorized</b>				
40,000,000 (31 March 2023: 40,000,000) Equity Shares of Rs. 10 each	400.00	400.00		
<b>Total</b>	<b>400.00</b>	<b>400.00</b>		
<b>Issued, Subscribed and Paid Up</b>				
30,704,082 (31 March 2023: 26,882,806) equity shares of Rs.10 each fully paid	307.04	268.83		
<b>Total</b>	<b>307.04</b>	<b>268.83</b>		
<b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.</b>	<b>31 March 2024</b>		<b>31 March 2023</b>	
	<b>Number of shares in millions</b>	<b>Amount</b>	<b>Number of shares in millions</b>	<b>Amount</b>
Outstanding at the beginning of the year	26.88	268.83	24.88	248.83
Add: Issued during the year	3.82	38.21	2.00	20.00
Outstanding at the end of the year	<b>30.70</b>	<b>307.04</b>	<b>26.88</b>	<b>268.83</b>

**(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, 2024, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2023: 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 2024		31 March 2023	
	Number of shares in millions	% of holding in the class	Number of shares in millions	% of holding in the class
<b>Name of the shareholder</b>				
1. Kalani Industries Pvt Ltd	3.62	11.79%	3.62	13.47%
2. International Finance Corporation	1.90	6.20%	1.90	7.08%
3. Saurabh Properties Pvt Ltd	1.64	5.33%	1.64	6.09%
4. Miscellani Global Pvt Ltd	1.36	4.43%	1.36	5.06%

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.**

**(f) Details of Shares held by Promoters**

As at March 31, 2024	Number of shares in millions at the beginning of the year	Changes during the year	Number of shares in millions at the end of the year	% of Total Shares	% Change during the year
Promoter Name					
Kalani Industries Private Limited	3.62	-	3.62	11.79%	-1.68%
Miscellani Global Private Limited	1.36	-	1.36	4.43%	-0.63%
Anshuman Properties Pvt Ltd	1.15	-	1.15	3.75%	-0.53%
High Skey Properties Pvt. Ltd.	1.04	-	1.04	3.39%	-0.48%
Sanovi Trading Private Limited	1.01	-	1.01	3.29%	-0.47%
Green Enviornment Private Trust	0.60	0.60	1.20	3.91%	1.68%
Gourment Private Trust	0.60	0.39	0.99	3.22%	0.99%
As at March 31, 2023	Number of shares in millions at the beginning of the year	Changes during the year	Number of shares in millions at the end of the year	% of Total Shares	% Change during the year
Promoter Name					
Kalani Industries Private Limited	3.62	-	3.62	13.47%	-1.08%
Miscellani Global Private Limited	1.36	-	1.36	5.06%	-0.41%
Anshuman Properties Pvt Ltd	1.15	-	1.15	4.28%	-0.34%
High Skey Properties Pvt. Ltd.	1.04	-	1.04	3.87%	-0.31%
Sanovi Trading Private Limited	1.01	-	1.01	3.76%	-0.30%
Green Enviornment Private Trust	-	0.60	0.60	2.23%	2.23%
Gourment Private Trust	-	0.60	0.60	2.23%	2.23%

**21. OTHER EQUITY**

	31 March 2024	31 March 2023
Securities premium	2,180.23	2,098.07
General reserve	114.24	114.24
Retained earnings	(4,809.67)	(2,947.79)
Money received against Share Warrants	16.94	47.52
<b>Total Other Equity</b>	<b>(2,498.26)</b>	<b>(687.96)</b>

**Nature and purpose of other reserves**

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 the Statement of Profit or Loss."
Retained Earnings	All other net gains, losses and transactions with owners (eg: dividends) not recognised elsewhere.
Money received against Share Warrants	Money received against share warrants is the amount received by the Company against the warrants which are convertible into shares at a specified date at a specified rate.

	31 March 2024	31 March 2023
<b>(a) Securities Premium</b>		
Opening balance	2,098.07	2,055.07
Add : Premium on issue of equity shares	82.16	43.00
<b>Closing balance</b>	<b>2,180.23</b>	<b>2,098.07</b>
<b>(b) General Reserve</b>		
Opening balance	114.24	114.24
Addition during the year	-	-
<b>Closing balance</b>	<b>114.24</b>	<b>114.24</b>
<b>(c) Retained Earnings</b>		
Opening balance	(2,947.79)	(1,903.42)
Add: Net loss for the year	(1,850.88)	(1,045.02)
Less: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	(11.00)	0.65
<b>Closing balance</b>	<b>(4,809.67)</b>	<b>(2,947.79)</b>
<b>(d) Money received against Share Warrants</b>		
Opening balance	<b>47.52</b>	-
Conversion of Share Warrants into equity shares	(120.38)	-
Balance amount received for the share warrants converted into equity shares	89.80	-
Issue of Share Warrants	-	47.52
<b>Closing balance</b>	<b>16.94</b>	<b>47.52</b>
<b>Total Other Equity</b>	<b>(2,498.26)</b>	<b>(687.96)</b>

The Company had made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31 March 2023. Further, the Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs. 21.50 each share during the year ended 31 March, 2024.



**22. NON-CURRENT BORROWINGS**

	31 March 2024	31 March 2023
<b>Secured</b>		
<b>- Term loans</b>		
From banks (refer note (a) and (c) below)	-	-
From other parties (refer note (a) and (c) below)	359.42	632.11
Less : Current Maturities of secured long term borrowings	(359.42)	(632.11)
	-	-
<b>Unsecured</b>		
Foreign Currency Convertible Bonds (refer note (b) below)	2,626.28	2,589.93
Long term maturities of finance lease obligations	-	-
<b>- Other loans</b>		
From a related party	-	-
From other parties	-	-
Deferred payment liabilities	-	-
Less : Current Maturities of unsecured long term borrowings	(2,626.28)	(2,589.93)
	-	-
<b>Total Long-term Borrowings</b>	<b>-</b>	<b>-</b>

**(a) Terms of secured borrowings are as under:**

Description	Rate of interest	As at 31 March, 2024 (Rs. In Millions)	As at 31 March, 2023 (Rs. In Millions)	Terms of Repayment
<b>Term loans from other parties</b>				
Assets Care & Reconstruction Enterprise Ltd ("ACRE") (including PIK loan)	24% (31 March 2023: 24%)	-	249.27	The loan has been repaid on 30 March, 2024
IFCI Limited	15.40% (31 March 2023: 15.40%)	359.42	382.84	As on year ended March 31, 2024 the Company has defaulted in repayment installments aggregating to Rs. 359.42 million. This amount is overdue and payable to IFCI Limited.
<b>Total</b>		<b>359.42</b>	<b>632.11</b>	
Less: Unamortised processing cost		-	-	
Less: Classified under current liabilities		359.42	632.11	
		<b>0.00</b>	<b>(0.00)</b>	

**(b) Terms of unsecured borrowings are as under:**
**(i) Foreign Currency Convertible Bonds**

As at 31 March, 2024, the Company has two foreign currency convertible bonds aggregating USD 31.5 million (31 March 2023 : USD 31.5 million):

i) 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.

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 year ended March 31, 2019, the bondholder had provided extension for repayment of said bonds based on revised terms and conditions. As per the revised terms and conditions the interest

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rate has been revised from 5.44% to 6.94% p.a. 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."

Description / FCCB Repayment Revised Timeline	Amount in USD in Millions
Repaid during year ended 31 March 2019	2.500
30-06-2019 (Defaulted)	1.125
31-12-2019 (Defaulted)	1.125
30-06-2020 (Defaulted)	2.250
31-12-2020 (Defaulted)	2.250
30-06-2021 (Defaulted)	4.500
31-12-2021 (Defaulted)	5.625
30-06-2022 (Defaulted)	5.625

### (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.

Six related and five third parties have pledged their shareholding in the Company aggregating to 6,710,560 shares against term loans from banks and term loans from other parties. Four related parties has pledged its shareholding in the Company aggregating to 6,022,681 shares against foreign currency convertible bonds.

### (d) Period and amount of default:

During the year ended March 31, 2024 the Company has defaulted in repayment of following dues:

Name of Lenders	Principal default in Rs. Millions as at March 31, 2024	Default in Interest Rs. Millions as at March 31, 2024 (net of TDS and interest not accrued, Refer Note 52)	Period of default since
<b>Financial Institutions:</b>			
1. International Finance Corporation	750.37	286.37	January 2019
2. TPG Growth II SF Pte. Ltd.	1,875.91	885.33	June 2019
3. IFCI Limited	359.42	273.96	July 2019

## 23. LONG-TERM LEASE LIABILITIES

	31 March 2024	31 March 2023
Lease liability on application of Ind AS 116 (Refer note 42)	72.34	75.10
<b>Total long-term lease liabilities</b>	<b>72.34</b>	<b>75.10</b>

## 24. LONG-TERM PROVISIONS

	31 March 2024	31 March 2023
<b>Provision for employee benefits</b>		
Provision for gratuity (funded) (refer note 41)	86.90	43.54
Provision for compensated absences (unfunded)	23.15	18.74
<b>Total Long-term Provisions</b>	<b>110.05</b>	<b>62.28</b>

**25. SHORT-TERM BORROWINGS**

	31 March 2024	31 March 2023
<b>Secured</b>		
Working capital demand loan from banks, cash credit and packing credit (refer note below)	3,306.13	3,040.00
<b>Unsecured</b>		
From other parties (refer note below)	30.81	30.80
Bills discounted		
- with Banks	87.07	145.26
- with others	-	-
Current maturities of long-term borrowings (refer note 22)	2,985.70	3,222.04
<b>Total Short-term Borrowings</b>	<b>6,409.71</b>	<b>6,438.10</b>

**(a) Terms and conditions of loans:**

- i. Outstanding loans from banks carry interest from 4.5% to 18% p.a., repayable on demand.
- ii. Outstanding loans from other parties carry interest of 12% p.a., repayable on demand.

**(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 overutilised the cash credit facilities by Rs 2,196.92 million (including interest) based on drawing power sanctioned by banks in March 2024 due to devolvement of Letter of Credit issued by Banks and interest charged. Bank-wise details of over-utilisation is given below:

Name of Bank	Over-utilisation of Cash Credit in Rs. Millions as at March 31, 2024	Period of default since
1. Punjab National Bank	816.16	December 2021
2. Bank of Baroda	434.29	January 2020
3. Central Bank of India	546.97	December 2021
4. Axis Bank	79.43	November 2022
5. UCO Bank	320.07	July 2023
<b>Total</b>	<b>2,196.92</b>	

## 26. TRADE PAYABLES

	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises	147.89	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,530.26	1,898.04
<b>Total Trade Payables</b>	<b>1,678.15</b>	<b>1,898.04</b>

	31 March 2024	31 March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	147.89	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11.50	-
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	-	-

## Trade Payables Ageing Schedule\*

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	49.25	94.19	2.68	0.97	0.80	147.89
(ii) Others	909.30	485.18	88.44	16.82	30.52	1,530.26
<b>As at March 31, 2024</b>	<b>958.55</b>	<b>579.37</b>	<b>91.12</b>	<b>17.79</b>	<b>31.32</b>	<b>1,678.15</b>

## Trade Payables Ageing Schedule\*

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	0
(ii) Others	1,255.17	523.82	42.62	17.08	59.35	1,898.04
<b>As at March 31, 2023</b>	<b>1,255.17</b>	<b>523.82</b>	<b>42.62</b>	<b>17.08</b>	<b>59.35</b>	<b>1,898.04</b>

\* The ageing schedule is prepared considering the credit period of 90 days for domestic purchases and 180 days for import purchases.

\* There are no disputed trade payables as at March 31, 2024 and March 31, 2023.

## 27. OTHER FINANCIAL LIABILITIES

	31 March 2024	31 March 2023
Interest accrued but not due on borrowings	634.40	615.96
Employee related payable	237.79	232.85
Government grants #	0.41	0.41
Employee Security Deposits	7.50	6.75
Others	36.19	16.86
<b>Total Other Financial Liabilities</b>	<b>916.29</b>	<b>872.83</b>

# Government Grants	31 March 2024	31 March 2023
Opening balance	0.41	8.86
Grants received during the year	2.74	5.50
Less: Reclassed to profit or loss	(2.74)	(13.96)
<b>Closing balance</b>	<b>0.41</b>	<b>0.41</b>

## 28. SHORT-TERM PROVISIONS

	31 March 2024	31 March 2023
<b>Provision for employee benefits</b>		
Provision for compensated absences (unfunded)	2.93	2.04
<b>Total Short-term Provisions</b>	<b>2.93</b>	<b>2.04</b>

## 29. OTHER CURRENT LIABILITIES

	31 March 2024	31 March 2023
Statutory dues payable	300.23	168.16
Advance received from customers	160.91	90.09
Advance Against Business Transfer (Refer Note 60)	2,029.20	-
<b>Total Other Current Liabilities</b>	<b>2,490.34</b>	<b>258.25</b>

**30. REVENUE FROM OPERATIONS**

	31 March 2024	31 March 2023
Sale of products		
- Finished goods	5,570.28	8,816.55
- Traded goods	277.72	246.02
Sale of services	126.80	73.02
Other operating revenue	10.34	17.39
<b>Total Revenue from Operations</b>	<b>5,985.14</b>	<b>9,152.98</b>
<b>Details of products sold</b>		
<b>Finished goods sold</b>		
Technical textile	5,570.28	8,816.55
<b>Traded goods sold</b>		
Fabrics & granules	277.72	246.02
<b>Reconciliation of revenue recognised:</b>		
Gross revenue	5,994.15	9,144.82
Adjustment for:		
Less : Sales return	15.70	1.23
Less : Discounts / Incentives	3.64	8.01
<b>Revenue from Operations</b>	<b>5,974.81</b>	<b>9,135.58</b>

**31. OTHER INCOME**

	31 March 2024	31 March 2023
Interest income on financial assets at amortisation cost	34.78	35.34
Foreign exchange gain (net)	26.39	67.83
Government grants #	2.74	13.96
Liabilities no longer required written back	0.00	0.08
Other non operating income	15.26	24.55
<b>Total Other Income</b>	<b>79.17</b>	<b>141.76</b>

# 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.

**32. COST OF MATERIAL CONSUMED**

	31 March 2024	31 March 2023
<b>(a) Raw Materials Consumed</b>		
Inventory at the beginning of the year	136.18	120.23
Add: Purchases during the year	3,087.69	4,701.51
Less: Inventory at the end of the year	(73.44)	(136.18)
<b>Cost of Raw Material Consumed</b>	<b>3,150.43</b>	<b>4,685.56</b>

<b>(b) Consumables Consumed</b>		
Inventory at the beginning of the year	67.16	16.92
Add: Purchases during the year	519.04	695.78
Less: Inventory at the end of the year	(88.14)	(67.16)
<b>Cost of Consumables Consumed</b>	<b>498.06</b>	<b>645.54</b>
<b>Total Cost of Material Consumed (A+B)</b>	<b>3,648.49</b>	<b>5,331.10</b>
<b>Details of Material Consumed</b>		
Polymer granules	3,150.43	4,685.56
Yarn	104.91	181.31
Others	393.15	464.23
<b>Total</b>	<b>3,648.49</b>	<b>5,331.10</b>

### 33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	31 March 2024	31 March 2023
<b>Inventories at the beginning of the year</b>		
-Finished goods	377.63	552.84
-Work-in-progress	286.96	259.60
	<b>664.59</b>	<b>812.44</b>
<b>Less: Inventories at the end of the year</b>		
-Stock in Trade		
-Finished goods	286.20	377.63
-Work-in-progress	416.02	286.96
	<b>702.22</b>	<b>664.59</b>
<b>Net (increase)/ decrease</b>	<b>(37.63)</b>	<b>147.85</b>
	<b>(37.63)</b>	<b>147.85</b>

### 34. EMPLOYEE BENEFITS EXPENSE

	31 March 2024	31 March 2023
Salaries, wages, bonus and other allowances	1,485.52	1,539.93
Contribution to provident and other funds	112.92	123.61
Gratuity expenses (refer note 41)	28.50	24.05
Staff welfare expenses	70.83	66.34
<b>Total Employee Benefits Expense</b>	<b>1,697.77</b>	<b>1,753.93</b>

### 35. FINANCE COSTS

	31 March 2024	31 March 2023
Interest expense		
- On borrowings	834.33	697.97
- On MSME	11.50	-
<b>Total Finance Costs</b>	<b>845.83</b>	<b>697.97</b>



### 36. DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2024	31 March 2023
Depreciation (refer note 5)	483.69	560.45
Amortization (refer note 6 and note 42)	109.50	122.06
<b>Total Depreciation and Amortization Expense</b>	<b>593.19</b>	<b>682.51</b>

### 37. OTHER EXPENSES

	31 March 2024	31 March 2023
Consumption of store & spares parts	109.58	127.61
Power and fuel	328.08	364.55
Rent	29.80	17.22
Repairs and maintenance	27.92	24.83
Job work charges	118.37	235.55
Insurance	30.05	28.11
Rates and taxes	49.11	21.26
Freight outward	181.07	388.85
Travelling expenses	116.41	106.70
Auditor's remuneration (refer note below)	2.95	2.95
Printing and stationery	3.60	3.81
Communication expenses	14.82	10.16
Legal and professional charges	66.45	69.41
Advertisement and publicity	36.89	197.96
Brokerage and Commission	12.52	11.27
Loss on sale of property, plant & equipment (net)	-	0.97
Provision for doubtful debts	162.94	188.18
Bad debts and advances written off	20.31	-
Provision For Impairment of Interest income from advances to LLPs/Jvs	41.04	41.31
Works Contracts Execution Expenses	104.35	-
Miscellaneous expenses	172.30	51.07
	<b>1,628.56</b>	<b>1,891.77</b>

Note: The following is the break-up of Auditors remuneration (exclusive of applicable Taxes)

As auditor:	31 March 2024	31 March 2023
Statutory audit fees	1.25	1.25
Limited review	1.50	1.50
Tax audit fees	0.20	0.20
	<b>2.95</b>	<b>2.95</b>

**38. INCOME TAX**

(A) Deferred tax relates to the following:	31 March 2024	31 March 2023
<b>Deferred tax assets</b>		
On provision for employee benefits	48.19	32.40
On provision for doubtful debts	250.76	141.59
On provision for loans		41.62
On impairment of investments		3.91
On unabsorbed depreciation and carry forward business losses	1,627.88	1,044.08
On capital losses	-	-
On lease obligations	2.23	27.39
	<b>1,929.06</b>	<b>1,290.99</b>
<b>Deferred tax liabilities</b>		
On property, plant and equipment	(357.74)	(414.36)
On unamortised transaction cost on borrowings	-	-
On right of use assets	-	(26.73)
	<b>(357.74)</b>	<b>(441.09)</b>
Inter Unit Transfer opening	-	
Opening DTL	-	
Deferred tax assets/ (liabilities) net *	1,571.32	849.90
Minimum Alternative Tax (MAT) entitlement *	279.77	279.77
<b>Total Deferred tax assets/(liabilities) net</b>	<b>1,851.09</b>	<b>1,129.67</b>
* The Company is carrying deferred tax asset aggregating to Rs. 1,851.09 millions (including MAT Credit of Rs 279.77 millions). Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset and 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 assets recognised.		
(B) Deferred tax charge / (benefit) to be recognized in Statement of Profit and Loss	31 March 2024	31 March 2023
Deferred tax liabilities/(assets) (net)	(1,571.32)	(849.90)
Less: Opening Deferred tax liabilities	(849.90)	(460.21)
Add: Other	-	-
Add: Deferred tax impact on other comprehensive income	4.99	(0.29)
<b>Deferred Tax charge / (benefit) for the year (A)</b>	<b>(716.43)</b>	<b>(389.98)</b>
Minimum Alternative Tax (MAT) entitlements:		
Closing balances	279.77	279.77
Less: Opening balances	279.77	279.77
<b>MAT credit for the year (B)</b>	<b>(0.00)</b>	<b>-</b>
<b>Net impact on Statement of profit &amp; loss (A+B)</b>	<b>(716.43)</b>	<b>(389.98)</b>
(C) Income tax expense / (credit)	31 March 2024	31 March 2023
Current tax (MAT)	-	-
Less: MAT credit entitlement	-	-
MAT charge of previous year	-	-
Less: MAT credit entitlement for earlier year	-	-
Income Tax charge of previous years	0.47	-
Deferred tax charge /(benefit) (excluding MAT credit entitlement)	(716.43)	(389.98)
<b>Total</b>	<b>(715.96)</b>	<b>(389.98)</b>

**(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.

**39. LOSS PER SHARE**

	31 March 2024	31 March 2023
Loss attributable to equity holders	(1,850.88)	(1,045.02)
Add: Interest on Foreign currency convertible bonds	-	-
Loss attributable to equity holders adjusted for the effect of dilution	<b>(1,850.88)</b>	<b>(1,045.02)</b>
Weighted average number of equity shares for basic loss per share	28.61	24.91
Effect of dilution:		
Foreign currency convertible bonds (anti dilutive)	-	-
Weighted average number of equity shares adjusted for the effect of dilution	<b>28.61</b>	<b>24.91</b>
Basic loss per share (INR)	(64.70)	(41.96)
Diluted loss per share (INR)*	(64.70)	(41.96)

\*The Company has incurred loss from continuing ordinary activities during the year and hence, the effect of potential equity shares to be issued would be anti dilutive.

**40. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS**

	31 March 2024	31 March 2023
<b>Contingent liabilities</b>		
<u>Corporate guarantees given on behalf of:</u>		
- Related party	-	950.00
- Others	20.11	20.11
<u>Disputed Demands (refer note 1 and 2 below)</u>		
- Income Tax	116.02	15.54
- Sales tax / VAT	43.49	45.27
- Entry tax	13.89	13.89
- Customs, Excise & GST	590.95	478.11
<u>Other Matter</u>	1.65	792.70
<b>Total Contingent Liabilities</b>	<b>753.74</b>	<b>2,315.62</b>

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 statements.

**Contingent assets**

Contingent assets as on 31 March 2024: Nil (31 March 2023: Nil)

**Commitments**

Commitments as on 31 March 2024: Nil (31 March 2023: Nil)

## 41. EMPLOYEE BENEFITS

(A) The Company has the following employee benefit plans:	31 March 2024	31 March 2023
(A) <u>Defined Contribution Plans</u> : Employers' Contribution to Provident Fund and Employee State Insurance		
Expense recognised during the year	112.92	123.61
(B) <u>Defined benefit plan</u> : Gratuity payable to employees		
Expense recognised during the year	28.50	24.05

	Employee's gratuity fund	
i) Actuarial assumptions	31 March 2024	31 March 2023
Discount rate (per annum)	7.22%	7.36%
Rate of increase in Salary	4.00%	3.00%
Expected average remaining working lives of employees (years)	21.78	23.09
Attrition rate		
-upto 30 years	3%	3%
-31 to 44 years	2%	2%
-above 44 years	1%	1%

ii) Changes in the present value of defined benefit obligation	31 March 2024	31 March 2023
<b>Present value of obligation at the beginning of the year</b>	<b>152.90</b>	<b>143.55</b>
Interest cost	11.25	10.31
Current service cost	25.29	21.44
Benefits paid	(17.62)	(19.68)
Actuarial (gain)/ loss on obligations	13.78	(2.73)
<b>Present value of obligation at the end of the year</b>	<b>185.60</b>	<b>152.90</b>

iii) Change in the fair value of plan assets:	31 March 2024	31 March 2023
Opening fair value of plan assets	109.35	107.17
Expected return on plan assets	7.56	7.67
Contributions by employer	1.61	15.98
Benefits paid	(17.62)	(19.68)
Actuarial (losses)/ gains	(2.21)	(1.79)
<b>Closing fair value of plan assets</b>	<b>98.69</b>	<b>109.35</b>

iv) Assets and liabilities recognized in the Balance Sheet:	31 March 2024	31 March 2023
Liabilities at the end of the year	185.60	152.89
Fair value of plan assets at the end of the year	(98.69)	(109.35)
Liabilities recognised in the Balance Sheet (Classified as Non Current, Refer Note 24)	<b>86.91</b>	<b>43.54</b>

v) Actual return on plan assets:	31 March 2024	31 March 2023
Expected return on plan assets	7.56	7.67
Actuarial (losses)/ gains on plan assets	(2.21)	(1.79)
<b>Actual return on plan assets</b>	<b>5.35</b>	<b>5.88</b>

<b>vi) Expense recognized in the Statement of Profit and Loss consist of:</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Employee benefits expense</b>		
Net Interest cost	3.20	2.61
Current service cost	25.29	21.44
<b>Total expenses**</b>	<b>28.49</b>	<b>24.05</b>
**Included in employee benefit expenses (Refer note 34)		
<b>Other comprehensive income</b>		
Actuarial gain / (loss) for the year on obligations	(13.78)	2.73
Actuarial gain / (loss) for the year on plan assets	(2.21)	(1.79)
<b>Total actuarial gain / (loss)</b>	<b>(15.99)</b>	<b>0.94</b>
<b>Total expense recognised in Statement of profit and loss</b>	<b>44.48</b>	<b>23.11</b>

<b>vii) Expected contribution to the fund in the next year</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Gratuity	28.50	27.63

<b>viii) A quantitative sensitivity analysis for significant is as shown below:</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Impact on defined benefit obligation</b>		
<b>Discount rate</b>		
0.5% increase	(9.27)	(7.55)
0.5% decrease	10.09	8.21
<b>Rate of increase in salary</b>		
0.5% increase	10.21	8.43
0.5% decrease	(9.44)	(7.85)

	<b>Employee's gratuity fund</b>	
<b>ix) Maturity profile of defined benefit obligation</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Year</b>		
0 to 1 Year	11.05	8.25
1 to 2 Year	8.46	6.92
2 to 3 Year	11.24	6.79
3 to 4 Year	8.77	8.88
4 year onwards	146.06	122.04
	<b>185.58</b>	<b>152.88</b>

<b>x) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Particulars</b>		
Insurance policy with LIC Life Insurance (%)	100.00%	100.00%

## 42. LEASES

### Operating leases where Company is a lessee:

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	31 March 2024	31 March 2023
The balance sheet shows the following amounts relating to leases:		
<b>Right-of-use assets</b>		
Buildings	84.58	85.69
<b>Total</b>	<b>84.58</b>	<b>85.69</b>
<b>Lease Liabilities</b>		
Current	19.40	12.69
Non - Current	72.34	75.10
<b>Total</b>	<b>91.74</b>	<b>87.79</b>

(ii) Amounts recognised in the statement of profit and loss	31 March 2024	31 March 2023	
The statement of profit or loss shows the following amounts relating to leases:			
<b>Depreciation charge of right-of-use assets</b>			
Buildings	21.52	5.67	
<b>Total</b>	<b>21.52</b>	<b>5.67</b>	
	<b>Notes</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Interest expense</b> (included in finance costs)	35	14.25	3.20
<b>Expense relating to short-term leases</b> (included in other expenses)	37	29.80	17.22
<b>Total</b>		<b>44.05</b>	<b>20.42</b>

## 43. 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. Flexituff Technology International Limited
- iv. Flexituff S.A. Enterprises LLP
- v. Flexituff Javed Ahmed LLP
- vi. Flexituff Hi-Tech LLP
- vii. Flexituff Sailendra Kalita LLP
- viii. Ujjivan LUIT LLP
- ix. Budheswar Das Flexituff International Limited JV
- x. Vishnu Construction Flexituff International Limited JV
- xi. Mayur Kartick Barooh Flexituff International Limited JV
- xii. Sailendra Kalita JV
- xiii. Pulin Borgohain JV
- xiv. Sanyug Enterprise Flexituff International Limited JV
- xv. Flexituff DIRD 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
- x. Ratangiri Vinmay Pvt Ltd
- xi. Sunrise Properties Private Limited
- xii. Pusti Trading Pvt. Ltd
- xiii. Seven Star Properties Pvt. Ltd
- xiv. Sanovi Trading Pvt. Ltd
- xv. Saurabh Properties Pvt. Ltd
- xvi. Dumet Wire India Pvt. Ltd
- xvii. Treasure Management Malls Private Limited
- xviii. Dreamworld Digital Shopping Private Limited
- xix. Indore Treasure Town Pvt. Ltd, Madhya Pradesh

**Key Management Personnel**

- i. Mr. Saurabh Kalani, (Whole Time Director)
- ii. Mr. Anirudh Sonpal (Independent Director)
- iii. Ms. Alka Sagar (Non Executive Woman Director)
- iv. Mr. Dharmendra Pawar (Independent Director)
- v. Mr. Jagdish Prasad Pandey (Whole-Time Director from September 11, 2020)
- vi. Mr. Ramesh Chand Sharma (Chief Financial Officer from January 01, 2021)
- vii. Mr. Rishabh Jain (Company Secretary from February 10, 2021)
- viii. Mr. Rahul Chouhan (Whole -Time Director from November 12, 2021)

**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. Rahul Pandey (Son of Mr. Jagdish Prasad Pandey)
- vi. Mrs. Rajkumari Sharma (Wife of Mr. Ramesh Chand Sharma)
- vii. Mrs. Namita Kalani (Wife of Mr. Saurabh Kalani)



**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

<b>(i) Sale of goods</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Wanderland Real Estate Pvt Ltd	122.87	665.79
Indore Treasure Town Private Ltd, Madhya Pradesh	-	5.67
Herbal Dream Ayurveda Creations Private Limited	33.56	129.00
Dreamworld Digital Shoping Private Limited	2.65	-
<b>Total</b>	<b>159.08</b>	<b>800.46</b>

<b>(ii) Sale of Services</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	4.38	3.27
Dreamworld Digital Shoping Private Limited	17.47	12.15
<b>Total</b>	<b>21.85</b>	<b>15.42</b>

<b>(iii) Purchase of goods</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	0.38	-
Flexituff Javed Ahmed LLP	0.55	-
<b>Total</b>	<b>0.93</b>	<b>-</b>

<b>(iv) Rent expenses</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Kalani Industries Private Limited	0.76	0.89
Mrs. Padma Kalani	0.46	0.22
Herbal Dream Ayurveda Creations Private Limited	1.90	1.90
Indore Land & Finance Private Limited	0.41	0.41
Mrs. Namita Kalani	0.63	-
<b>Total</b>	<b>4.16</b>	<b>3.42</b>

<b>(v) Reimbursement of Expenses</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	0.14	-
Mrs. Namita Kalani	0.10	-
Indore Land & Finance Indore	0.11	-
<b>Total</b>	<b>0.35</b>	<b>-</b>

<b>(vi) Salaries, wages, bonus and other allowances</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mr. Kartikeya Kalani	11.01	12.00
Mr. Ramesh Chand Sharma	1.92	1.88
Mrs. Rajkumari Sharma	1.81	1.76
Mr. Rishabh Jain	1.30	1.28
Mr. Rahul Pandey	0.31	0.31
<b>Total</b>	<b>16.35</b>	<b>17.23</b>

<b>(vii) Sitting Fees</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Ms. Alka Sagar	0.27	0.20
Mr. Anirudh Sonpal	0.22	0.25
Mr. Dharmendra Pawar	0.27	0.26
<b>Total</b>	<b>0.76</b>	<b>0.71</b>

<b>(viii) Interest income</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexiglobal Holdings Ltd., Cyprus	0.08	0.52
Flexituff Javed Ahmed LLP	10.59	10.71
Flexituff Hi-Tech LLP	3.51	3.53
Flexituff SA Enterprises LLP	7.00	7.12
Flexituff Sailendra Kalita LLP	0.55	0.55
Ujjivan LUIT LLP	0.03	0.03
Budheswar Das Flexituff International Limited JV	0.40	0.39
Vishnu Construction Flexituff International Limited JV	0.12	0.12
Sanyug Enterprise Flexituff International Limited JV	0.02	0.02
Mayur Kartick Barooah Flexituff International Limited JV	0.25	0.26
Flexituff Sailendra Kalita JV	2.10	2.17
<b>Total</b>	<b>24.65</b>	<b>25.42</b>

<b>(ix) Loans and advances given/(repaid)</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mayur Kartick Barooah Flexituff International Limited JV	0.02	0.03
Budheswar Das Flexituff International Limited JV	0.04	0.04
Vishnu Construction Flexituff International Limited JV	0.01	0.01
Sanyug Enterprise Flexituff International Limited JV	-	0.01
Flexituff Technology International Limited	-	0.86
Flexituff Javed Ahmed LLP	-	0.72
Flexiglobal Holding Limited	0.96	-
Flexituff Hi-Tech LLP	0.12	-
Flexituff DIRD JV	52.63	-
<b>Total Loan &amp; Advance Given</b>	<b>53.78</b>	<b>1.67</b>
Flexituff SA Enterprises LLP	-	(10.50)
Flexiglobal Holding Limited	-	(9.21)
Flexituff Hi-Tech LLP	-	(0.82)
Flexituff Javed Ahmed LLP	(2.32)	-
Flexituff Sailendra Kalita JV	(0.72)	(1.02)
Flexituff Technology International Limited	(1.00)	-
<b>Total Loan &amp; Advance Repaid</b>	<b>(4.04)</b>	<b>(21.55)</b>

<b>(x) Provision on loan and interest receivable for related parties</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexituff Javed Ahmed LLP (on interest portion)	21.57	27.00
Flexituff SA Enterprises LLP (on interest portion)	14.12	17.60
Flexituff Hi-Tech LLP (on interest portion)	4.31	5.40
Flexiglobal Holding Limited (on interest portion)	0.08	0.52
Flexiglobal Holding Limited (on loan)	0.96	(9.21)
<b>Total</b>	<b>41.04</b>	<b>41.31</b>

<b>(xi) Impairment on Investment in Subsidiary</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexiglobal Holding Ltd., Cyprus	12.52	12.52
	<b>12.52</b>	<b>12.52</b>

<b>(xii) Movement in Security Deposit - given/(repaid)</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	-	0.09
Indore Land & Finance Private Limited	0.07	0.06
<b>Total</b>	<b>0.07</b>	<b>0.15</b>
<b>(xiii) Traveling Advances given/(expensed out) during the year (net)</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mr. Saurabh Kalani	8.04	4.76
Mr. Kartikeya Kalani	11.79	10.76
<b>Total</b>	<b>19.83</b>	<b>15.52</b>

**(C) Amount due to/from related party as on:**

<b>(i) Non current investments</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexiglobal Holding Ltd., Cyprus	12.52	12.52
Flexituff Technology International Limited	5.76	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	0.07	0.07
Less : Impairment on Investment	(12.52)	(12.52)
<b>Total</b>	<b>6.15</b>	<b>0.49</b>
<b>(ii) Trade payables</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Kalani Industries Private Limited	(0.24)	2.21
Herbal Dream Ayurveda Creations Private Limited	1.04	3.66
Indore Land & Finance Private Limited	-	0.18
Mr. Manish Kalani	0.97	0.97
Mrs. Padma Kalani	0.21	1.26
Mrs. Namita Kalani	0.06	-
Flexituff Javed LLP	0.64	-
<b>Total</b>	<b>2.68</b>	<b>8.28</b>
<b>(iii) Loans given</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexituff Javed Ahmed LLP	87.31	89.63
Flexituff Hi-Tech LLP	29.33	29.21
Flexituff SA Enterprises LLP	58.31	58.31
Flexituff Sailendra Kalita LLP	3.95	3.95
Ujjivan LUIT LLP	0.23	0.23
Budheswar Das Flexituff International Limited JV	4.40	4.36
Sanyug Enterprise Flexituff International Limited JV	0.18	0.18
Vishnu Construction Flexituff International Limited JV	1.31	1.30
Flexituff Technology International Limited	-	1.00
Mayur Kartick Barooah Flexituff International Limited JV	2.87	2.85
Flexituff Sailendra Kalita JV	22.89	23.61
Flexiglobal Holding Limited	13.28	12.32
Flexituff DIRD JV	52.63	-
Flexituff Pulin Borgohain JV	(1.00)	(1.00)
Less: Impairment on Loan to Flexiglobal Holding Limited	(13.28)	(12.32)
<b>Total</b>	<b>262.41</b>	<b>213.63</b>

<b>(iv) Interest Receivable on Loans given to related parties (included in Loans in Balance Sheet)</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexituff Javed Ahmed LLP	81.54	70.96
Flexituff Hi-Tech LLP	20.46	16.94
Flexituff SA Enterprises LLP	50.77	43.77
Flexituff Sailendra Kalita LLP	4.03	3.48
Ujjivan LUIT LLP	2.03	2.00
Budheswar Das Flexituff International Limited JV	7.68	7.32
Sanyug Enterprise Flexituff International Limited JV	0.04	0.02
Vishnu Construction Flexituff International Limited JV	0.66	0.56
Mayur Kartick Barooah Flexituff International Limited JV	1.81	1.58
Flexituff Sailendra Kalita JV	12.34	10.45
Flexiglobal Holding Limited	6.17	6.09
Less: Impairment on Interest Receivable		
Flexituff Javed Ahmed LLP	(83.57)	(62.00)
Flexituff SA Enterprises LLP	(54.72)	(40.60)
Flexituff Hi-Tech LLP	(16.71)	(12.40)
Flexiglobal Holding Limited	(6.17)	(6.09)
<b>Total</b>	<b>26.36</b>	<b>42.08</b>

<b>(v) Traveling Advances</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mr. Saurabh Kalani	13.46	5.42
Mr. Kartikeya Kalani	(0.03)	11.82
<b>Total</b>	<b>13.43</b>	<b>17.24</b>

<b>(vi) Security Deposit given</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	1.50	1.50
Indore Land & Finance Private Limited	0.48	0.41
<b>Total</b>	<b>1.98</b>	<b>1.91</b>

<b>(vii) Security Deposit given for equity shares pledged by third parties</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Sunrise Properties Private Limited	10.00	10.00
Pusti Trading Pvt. Ltd	10.00	10.00
Seven Star Properties Pvt. Ltd	10.00	10.00
Sanovi Trading Pvt. Ltd	10.00	10.00
Saurabh Properties Pvt. Ltd	10.00	10.00
Dumet Wire India Pvt. Ltd	10.00	10.00
	<b>60.00</b>	<b>60.00</b>

<b>(viii) Other payables</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mr. Ramesh Chand Sharma	0.24	0.27
Mrs. Rajkumari Sharma	0.22	0.32
Mr. Kartikeya Kalani	0.36	-
Mr. Rishabh Kumar Jain CS	0.07	-
Mr. Rahul Pandey	0.02	-
Mrs. Alka Sagar	0.05	-
Mr. Dharmendra Pawar	0.05	-
<b>Total</b>	<b>1.01</b>	<b>0.59</b>

<b>(ix) Trade receivables</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexituff SA Enterprises LLP	415.22	448.29
Wanderland Real Estate Pvt Ltd	9.83	248.08
Flexituff Sailendra Kalita JV	20.93	41.73
Herbal Dream Ayurveda Creations Private Limited	3.20	-
Budheswar Das Flexituff International Limited JV	0.83	0.83
Dreamworld Digital Shoping Private Limited	1.61	7.16
Indore Treasure Town private Ltd, Madhya Pradesh	6.66	6.66
Sanyug Enterprise Flexituff International Limited JV	0.83	0.83
Flexituff Sailendra Kalita LLP	3.16	13.00
<b>Total</b>	<b>462.27</b>	<b>766.58</b>

<b>(x) Corporate Guarantee Given</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Wanderland Real Estates Private Limited	-	950.00
<b>Total</b>	<b>-</b>	<b>950.00</b>

<b>(xi) Advances For Business Purchase</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Flexituff Technology International Ltd	2,029.20	-
<b>Total</b>	<b>2,029.20</b>	<b>-</b>

**(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 2024, the Company has recorded impairment of interest receivable and loan amounting to Rs 41.04 million relating to amounts owed by related parties (31 March 2023: 41.31 million) (Refer Note 37). 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.

#### 44. 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 receives 10% or more of its revenue from transactions with single external customer, the details of which are given in table below:

External customer*	31 March 2024	31 March 2023
Customer A	768.16	1,366.97
Customer B	527.79	1,360.79
Other Customers	4,689.20	6,425.23
	<b>5,985.15</b>	<b>9,152.99</b>

\* For confidentiality reasons, the name of cutomers are not disclosed herewith.

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 2024	31 March 2023
India	3,967.95	6,054.90
Singapore	701.36	1,694.09
USA	268.62	429.63
Other countries	1,047.22	974.37
	<b>5,985.15</b>	<b>9,152.99</b>

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 2024	31 March 2023
Within India	3,493.84	3,959.73
Outside India	-	-

#### 45. 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<sup>st</sup> March 2024 were as follows:

Particulars	Note	Amortised Cost	Financial assets/ liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
<b>Assets</b>						
Investments in Equity Instruments - Unquoted	8	-	0.01	-	0.01	0.01
Non current Fixed deposits	9	4.00	-	-	4.00	4.00
Trade receivables	13	1,288.17	-	-	1,288.17	1,288.17
Loans	16	288.78	-	-	288.78	288.78
Other financial assets	17	122.32	-	-	122.32	122.32
Cash and cash equivalents	14	993.20	-	-	993.20	993.20
Bank balances other than cash and cash equivalent	15	94.00	-	-	94.00	94.00

<b>Liabilities</b>						
Long term Borrowings	22	-	-	-	-	-
Short term borrowings	25	6,409.71	-	-	6,409.71	6,409.71
Trade payables	26	1,678.15	-	-	1,678.15	1,678.15
Other financial liabilities	27	916.29	-	-	916.29	916.29

**The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March 2023 were as follows:**

Particulars	Note	Amortised Cost	Financial assets/ liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
<b>Assets</b>						
Investments in Equity Instruments - Unquoted	8	-	0.01	-	0.01	0.01
Non current Fixed deposits	9	29.53	-	-	29.53	29.53
Trade receivables	13	2,004.88	-	-	2,004.88	2,004.88
Loans	16	255.71	-	-	255.71	255.71
Other financial assets	17	104.07	-	-	102.93	102.93
Cash and cash equivalents	14	29.77	-	-	29.77	29.77
Bank balances other than cash and cash equivalent	15	79.31	-	-	79.31	79.31
<b>Liabilities</b>						
Long term Borrowings	22	-	-	-	-	-
Short term borrowings	25	6,438.10	-	-	6,438.10	6,438.10
Trade payables	26	1,898.04	-	-	1,898.04	1,898.04
Other financial liabilities	27	872.83	-	-	872.83	872.83

## 46. 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:

Level 3	31 March 2024	31 March 2023
<b>Investments in Equity Instruments</b>		
Unquoted equity instruments	0.01	0.01
<b>Financial assets measured at amortized cost</b>		
Non current Fixed deposits	4.00	29.53
Trade receivables	1,288.17	2,004.88
Loans	288.78	255.71
Other financial assets	122.32	102.93
Cash and cash equivalents	993.20	29.77
Bank balances other than cash and cash equivalent	94.00	79.31



<b>Financial liabilities measured at amortized cost</b>		
Long term Borrowings	-	-
Short term borrowings	6,409.71	6,438.10
Trade payables	1,678.15	1,898.04
Other financial liabilities	916.29	871.69

## 47. 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:

<b>Exposure to interest risk</b>	<b>Increase/ decrease in basis points</b>	<b>Effect on profit / loss before tax</b>
<b>2024</b>		
INR in Millions	+50	(18.33)
INR in Millions	-50	18.33
<b>2023</b>		
INR in Millions	+50	(17.11)
INR in Millions	-50	17.11

**(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

The following table shows foreign currency exposures receivable and payable at the end of the reporting period					
Particulars		31 March 2024		31 March 2023	
		Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in million
<b>Assets</b>					
Trade Receivables	USD	3.89	324.29	3.43	282.22
	GBP	0.11	11.26	0.11	11.50
	EURO	0.19	17.47	0.31	27.44
	AUD	0.03	1.60	0.02	1.35
	CAD	0.30	18.21	0.41	24.86
Loans & advances	GBP	0.18	19.45	0.18	18.40
Advance to Suppliers	USD	0.04	3.36	0.09	7.62
	EURO	-	-	-	-
	CHF	-	-	-	-
Particulars		31 March 2024		31 March 2023	
		Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in million
<b>Liabilities</b>					
Foreign Currency Convertible Bonds	USD	31.50	2,626.28	31.50	2,589.93
Trade Payables	USD	0.35	27.93	0.35	27.93
	EURO	0.001	0.06	0.00	0.06
Advance from Customers	USD	0.61	42.11	0.09	6.45
Other Current Financial Liability	USD	-	-	-	-

**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).

Particulars	Effect on profit / loss - gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Assets</b>				
Trade Receivables	18.64	17.37	(18.64)	(17.37)
Loans & advances	0.97	0.92	(0.97)	(0.92)
Advance to Suppliers	0.17	0.38	(0.17)	(0.38)

<b>Liabilities</b>				
Foreign Currency Convertible Bonds	(131.31)	(129.50)	131.31	129.50
Trade Payables	(1.40)	(1.40)	1.40	1.40
Advance From Customers	(2.11)	(0.32)	2.11	0.32

**(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party 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.

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:**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Not due	537.64	898.49
0-3 months	178.98	-
3-6 months	80.46	98.23
6 months to 12 months	108.16	100.83
beyond 12 months	960.39	907.31
	<b>1,865.63</b>	<b>2,004.86</b>

**The following table summarizes the change in the loss allowances estimated using life time expected credit loss method**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Opening provision	453.82	265.64
Add: additional provision made	162.94	188.18
Less: Provision utilised for Bad Debts written off	-	-
<b>Closing provisions</b>	<b>616.76</b>	<b>453.82</b>

**(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:**

<b>31 March 2024</b>	<b>Payable on demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Long-term borrowings	-	-	-	-	-	-
Short term borrowings	6,409.71	-	-	-	-	6,409.71
Trade payables	-	1,530.26	-	-	-	1,530.26
Other financial liability	634.40	281.89	-	-	-	916.29
	<b>7,044.11</b>	<b>1,812.15</b>	-	-	-	<b>8,856.26</b>

31 March 2023	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term borrowings	-	-	-	-	-	-
Short term borrowings	6,438.10	-	-	-	-	6,438.10
Trade payables	-	1,898.04	-	-	-	1,898.04
Other financial liability	615.96	256.87	-	-	-	872.83
	<b>7,054.06</b>	<b>2,154.91</b>	-	-	-	<b>9,208.97</b>

#### 48. 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 maturities 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 2024	31 March 2023
Total equity	(i)	(2,191.22)	(419.14)
Total debt	(ii)	6,409.71	6,438.10
Overall financing	(iii) = (i) + (ii)	4,218.49	6,018.96
Gearing ratio	(ii)/ (iii)	1.52	1.07

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

#### 49. CORPORATE SOCIAL RESPONSIBILITY (CSR)

		31 March 2024	31 March 2023	
Gross amount required to be spent :		-	-	
Amount spent during the year				
	31 March 2024		31 March 2023	
	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 control of company for future use	-	-	-	-
ii. On purpose other than (i) above	-	-	-	-
	-	-	-	-
Less: Amount Capitalized as CSR Assets	-	-	-	-
	-	-	-	-

## 50. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Denomination	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for Variance (If more than 25%)
(a) Current ratio	Number	Current Assets	Current Liabilities	0.36	0.42	-16%	
(b) Debt-equity ratio	Number	Debt	Share holders Equity	(2.93)	(15.36)	-81%	Note 1
(c) Debt service coverage ratio	Number	Earning available for debt service	Debt Service with in a year	(0.06)	0.05	-221%	Note 2
(d) Return on equity ratio	%	Net Profit/ (Loss) after tax	Average Shareholder's Equity	141.81%	-2186.84%	-106%	Note 3
(e) Inventory turnover ratio	Number	Cost of Goods Sold	Average Inventory	4.23	5.91	-28%	Note 4
(f) Trade receivables turnover ratio	Number	Net Credit Sales	Average Trade Receivables	3.64	4.03	-10%	
(g) Trade payables turnover ratio	Number	Net Credit Purchases	Average Trade Payables	2.25	2.85	-21%	
(h) Net capital turnover ratio	Number	Net Sales	Working Capital	(0.81)	(1.68)	-52%	Note 5
(i) Net profit ratio	%	Net Profit/ (Loss)	Net Sales	-31%	-11%	173%	Note 6
(j) Return on capital employed	%	Earnings before interest, taxes and gain on restructuring	Average Capital Employed	-34%	-12%	187%	Note 7

**Note 1 - Debt Equity Ratio:** The increase in Ratio is on mainly account of losses incurred by the Company leading to fall in shareholder's equity.

**Note 2 - Debt Service Coverage Ratio:** The ratio has improved due to increase in earning available for debt service. There is no major change in debt service with in a year due to continous defaults in repayment of loans and overutilisation of cash credit facilities.

**Note 3 - Return on Equity:** The fall in ratio is on account of the losses incurred by Company.

**Note 4 - Inventory Turnover Ratio:** Ratio has increased due to fall in average inventory levels at the end of current year and increase in Cost of goods sold (due to increase in Net Sales) as compared to previous year.

**Note 5 - Net Capital Turnover Ratio:** Ratio is decreased due to fall in turnover and the level of working capital as compared to previous year.

**Note 6 - Net Profit Ratio:** The ratio has decreased in current year due to one time gain on restructuring amounting to Rs. 599.70 million (Refer Note 51) included in net loss of previous year.

**Note 7 - Return on capital employed:** The return on capital employed has reduced due to increase in loss during current year and negative net worth at the end of current year.

\* As the Company does not have any cashflow from its investments, hence Return on Investment ratio is not presented herewith.

- 51.** The Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Loans/ Advances granted Individually	Repayable on demand (Yes / No)"	Terms/ Period of repayment is specified (Yes / No)	31 March 2024		31 March 2023	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding as at the balance sheet date	% of Total
Related Parties	53.78	Yes	No	275.70	100%	226.95	100%
<b>Total of Loan and Advances in the nature of Loan (Refer Note 43)</b>	<b>53.78</b>			<b>275.70</b>		<b>226.95</b>	

- 52.** As on March 31, 2024, the Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs 359.42 millions and Rs. 273.96 millions respectively to IFCI LTD (The interest default cited here is net of TDS (as applicable). Loan of IFCI Ltd has been assigned to Phoenix ARC Private Limited on 19<sup>th</sup> April, 2024 vide confirmation letter dated 22<sup>nd</sup> April, 2024.

As on March 31, 2024, the Company was in default in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs 1,875.91 millions and Rs 885.33 millions respectively and also was in default in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs 750.37 millions. Interest accrued and payable to IFC amounts to Rs. 286.37 millions. The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 54 below.

As per correspondence with TPG Growth II SF Pte. Ltd. dated 15 February 2024, the Company has entered into a one time settlement of the FCCBs and waiver of interest. Settlement amount was payable on or before 31 March 2024. Time line for payment further extended uptill 30<sup>th</sup> April, 2024 and the Company has paid settlement amount on 30<sup>th</sup> April, 2024.

IFC has also agreed for a one time settlement of the FCCB and waiver of interest, Settlement amount was payable by 15<sup>th</sup> February 2024. This time line further extended uptill 30<sup>th</sup> April, 2024. The Company has paid settlement amount on 29<sup>th</sup> April, 2024. As per the correspondence with IFC, the Company has received no dues certificate dated 8 May 2024.

Total gain to the company on one time settlement of principal amount of FCCBs is USD 21.42 Million.

The Company has devolved Letter of Credit issued by banks and such devolvement has resulted in over utilisation of cash credit facilities by Rs 2,196.92 millions (including interest) as on March 31, 2024, based on drawing power sanctioned by banks in the month of February 2024.

- 53.** The Company has incurred net losses of Rs. 1,850.88 millions during the year ended March 31, 2024 and has a net current liability position of Rs. 7,416.39 millions as on that date. Further, in respect of certain loan arrangements for which the amounts have fallen due as mentioned in Note 52 above; the Company has entered into settlement agreements 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.

- 54.** The Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30<sup>th</sup> April, 2024 and 29<sup>th</sup> April, 2024 respectively (Refer note 52 above). The Company has not accrued interest amounting to Rs 238.75 millions, Rs 272.62 millions, Rs 203.07 millions, Rs. 171.44 millions and Rs. 183.29 millions for the year ended March 31, 2024, for the year ended March 31, 2023, for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.

The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to Rs 1,069.17 millions. This amount of Rs 1,069.17 millions has been waived by FCCB's holders.

**55.** Summary of adjustments/regrouping in previous year figures is as follows:

Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year/period figures.

Particulars	Previous Year Classification	Reclassification	Current Year Classification	Remarks
Advance to Staff	-	1.15	1.15	Amount of Employee Related Payables have been reclassified to Advance to Staff
Employee Related Payables	1.15	1.15	-	

**56.** Tuff Subsidy and Government Subsidy receivable by the Company Rs 69.03 millions which pertains to the period prior to financial year 2016-17. The Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Company is confident that the said government subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.

**57.** The Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29<sup>th</sup> January 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. The Company has claims amounting to Rs 103.52 millions of export incentive receivable. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued order in favour of the association. (IFIBCA). The Company has applied offline to DGFT for MEIS script.

**58.** The Company had executed Business Transfer Agreement (BTA) with its subsidiary company, Flexituff Technology International Limited on 28 August 2023 for sale of Flexible Intermediate Bulk Container (FIBC) business of Pithampur units of the Company. The sale is completed on 30 April 2024 via slump sale for a lump sum consideration of Rs. 319.00 Crores (Rupees Three Hundred Nineteen Crores only) on the terms and conditions outlined in the BTA.

**59.** The Company has made financing arrangement with IFCI Limited. As a part of financing arrangement, the Company has arranged security guarantee from certain parties ("guarantors"), who pledged the shares of the Company held by them as security with IFCI Limited. Consequent to the default in repayment of loan by the Company as mentioned in Note 22(d), IFCI Limited has forfeited the guarantees. Upon forfeiture of such security provided by guarantors, the Company has made compensation amounting to Rs 94.85 millions to guarantors as a part of security guarantee arrangement.

**60.** (a) The Company had executed Business Transfer Agreement (BTA) with company, Flexituff Technology International Limited on 28 August 2023 for sale of Flexible Intermediate Bulk Container (FIBC) business of Pithampur units of the Company. The sale is completed on 30 April 2024 via slump sale for a lump sum consideration of Rs. 319.00 Crores (Rupees Three Hundred Nineteen Crores only) on the terms and conditions outlined in the BTA. The Company is in process of transferring assets and liabilities of FIBC business of Pithampur units via slump sale at their book values as shown below:

**(b) Assets and liabilities held for slump sale**

As at 31 March 2024, following assets and liabilities included in total assets and liabilities are held for sale at their book values via slump sale w.e.f 30 April 2024:

Particulars	Rupees in millions
Property, plant and equipment	744.98
Other Intangible assets	0.42
Right to use assets	83.17
Other financial assets	28.34
Inventories	448.52
Trade receivables	535.17
Cash and cash equivalents	2.48
Other current financial assets	8.29

Other current assets	101.15
<b>Assets held for slump sale</b>	<b>1,952.52</b>
Lease liabilities	90.12
Provisions	44.36
Borrowings	72.52
Trade payables	1086.71
Other financial liabilities	177.72
Other current liabilities	274.41
<b>Liabilities held for slump sale</b>	<b>1745.84</b>

Details of total income, total expenses and profit before tax of FIBC business of Pithampur units for the year ended 31 March 2024 is as follows:

Particulars	Rupees in millions
	Year ended 31 March 2024
Total Income	4,005.37
Total Expenses	4,505.85
Profit/ (Loss) before tax	(500.48)

- 61.** The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 62.** The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts and there were no material discrepancies noted. However, in the view of restructuring proposal and holding-on-operations as requested to bankers, the Company could not make available such quarterly returns or statements to the Statutory Auditors.
- 63.** The company has defaulted in meeting its payment / repayment obligations of interest and Principal respectively as mentioned in Note 22(d) and 25(c). However, the Company has not been declared wilful Defaulter by any Bank or Financial Institutions or other lender.
- 64.** The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 65.** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 66.** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 67.** Utilisation of Borrowed funds and share premium:
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 68.** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts.



- 69.** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 70.** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 71.** The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- 72.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 73.** The Financials are presented in Rs Million and decimal thereof except for the per share information or as otherwise stated.
- 74.** 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 **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors of  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Kumar Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## INDEPENDENT AUDITOR'S REPORT

To the Members of Flexituff Ventures International Limited

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

1. We have audited the consolidated financial statements of **Flexituff Ventures 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 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year ended 31 March 2024 and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports on separate audited financial statements of the subsidiaries referred to in paragraph (a) of "Other Matters" section below, except for the effects of the matter described in the Basis of 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 ('Ind AS') specified under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March, 2024 and its loss (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

#### Basis of Qualified Opinion

3. We draw attention to the following matters:
  - (a). The Holding Company has recognized deferred tax asset (net) of ₹1,851.09 million on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. 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 51 to the consolidated financial statements, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the consolidated financial statements. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March, 2024 would have been higher by ₹1,851.09 million and other equity as on that date would have been lower by the same amount.

- (b). The Holding Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹2,626.42 million as at 31 March 2024 comprising of tangible and intangible assets. The Holding 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 51 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 Tuff Subsidy and Government Subsidy receivable amounting to ₹69.03 million which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same. (Refer Note 53 to the consolidated financial statements).
- (d). The Holding Company has claims amounting to ₹ 103.52 million of export incentive receivable. We are unable to comment on the recoverability of the same. (Refer Note 54 to the consolidated financial statements)
4. We conducted our audit in accordance with the Standards on Auditing (SA's) and other pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') 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 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 consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of report of the other auditors referred to in paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Material Uncertainty Related to Going Concern**

5. We draw attention to Note 51 to the consolidated financial statements which states that the Holding Company has incurred net losses of ₹1,850.88 million during the year ended March 31, 2024 and has a net current liability position of ₹ 7,416.39 million as on that date and describes certain loans in default for which the Holding Company has entered into a one - time settlement with FCCB's holders. Further, the Holding Company's ability to meet its future obligations is dependent on successful implementation of the restructuring agreement. These conditions indicate significant doubt on the Holding Company's ability to continue as going concern. The Holding Company is in the process of implementing restructuring agreement. In view of the above, the consolidated financial statements of the Holding Company has been prepared on a going concern basis. Our opinion on the consolidated financial statements is not modified in respect of this matter. (Refer Note 56 to the consolidated financial statements)

**Emphasis of Matters**

6. We draw attention to  
 The Holding Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30<sup>th</sup> April, 2024 and 29<sup>th</sup> April, 2024 respectively (Refer note 50 to the consolidated financial statements).  
 The Holding Company has not accrued interest amounting to ₹ 238.75 million, ₹ 272.62 million, ₹ 203.07 million, ₹ 171.44 million and ₹ 183.29 million for the year ended March 31, 2024, for the year ended March 31, 2023, for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to ₹ 1,069.17 million. This amount of ₹ 1,069.17 million has been waived by FCCB's holders.

(Refer Note 50 to the consolidated financial statements).

Our opinion on the consolidated financial statements is not modified in respect of these matters.

**Key Audit Matters**

7. Except for the matter described in the Basis for Qualified Opinion section, Material Uncertainty Related to Going Concern section and Emphasis of Matters section, we have determined that there are no other key audit matters to communicate in our report.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the director's 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. The Other Information is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of this Other Information, we are required to report that fact. We have nothing to report in this regard.

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

9. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act and other accounting principles

generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the consolidated financial statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

12. 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 SA's 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.
13. As part of an audit in accordance with SA's issued by ICAI, specified under section 143(10) of the Act, 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)(l) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated 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 Board of Directors' 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 Group'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 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; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. Our responsibilities in this regard are further described in "Other Matters" paragraph in this audit report.
14. 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.
  15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence, and where applicable, related safeguards.

**Other Matters**

- a). The consolidated financial statements include the audited financial statements of 12 subsidiaries, whose financial statements reflect Group's share of total assets (before consolidation adjustments) of ₹3,009.48 million as at March 31, 2024, Group's share of total revenue (before consolidation adjustments) of ₹1.04 million and Group's share of total net loss after tax (before consolidation adjustments) of ₹(35.92) million year ended March 31, 2024 as considered in the consolidated financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

- b). The consolidated financial statements include the unaudited financial statements of two foreign subsidiaries (including a stepdown subsidiary) which has not been audited and has not prepared financial statement on going concern basis, whose financial statements reflect Group's share of total assets (before consolidation adjustments) of ₹1.85 million as at March 31, 2024, Group's share of total revenue (before consolidation adjustments) of ₹ Nil and Group's share of total net loss after tax (before consolidation adjustments) of ₹(0.62) million the year ended March 31, 2024 as considered in the consolidated financial statements. These unaudited financial statements have been approved and furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to affairs of these subsidiary, is based solely on such unaudited financial statement. According to the information and explanations given to us by the Management, these financial statements are not material to the Group. (Refer Note 2.2 (d) to the consolidated financial statements).
- c). The Statement includes the financial statement of one foreign subsidiary which is prepared as per the management accounts and has not been reviewed, whose financial statement reflects Group's share of total assets (before consolidation adjustments) of ₹52.63 million as at March 31, 2024, Group's share of total revenue (before consolidation adjustments) of ₹

Nil and Group's share of total net loss after tax (before consolidation adjustments) of ₹ Nil for the year ended March 31, 2024 as considered in the Statement. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to the financial statements certified by the Board of Directors.

**Report on Other Legal and Regulatory Requirements**

16. As required by section 143(3) of the Act, based on our audit 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 purpose of our audit of the aforesaid consolidated financial statements;
- 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 Group so far as it appears from our examination of those books.
- c). The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows are in agreement with the books of account of the Group;
- d). Except for the effects of the matters described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- 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 Group;
- f). On the basis of the written representations received from the directors and taken on record by the Board of Directors and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors is disqualified as on 31 March 2024 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure I" which is based on the auditors' reports of the

Company and its subsidiary companies incorporated in India;

- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i The Group has disclosed the impact of pending litigations on its financial position as at 31 March 2024 in its consolidated financial statements – Refer Note 37 to the consolidated financial statements;
  - ii The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group;
  - iv
    - a. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Group to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v The Group has neither declared nor paid any dividends during the year ended 31 March 2024.
- vi Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.  
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- vii As per the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, provisions of Section 197 are not applicable to the Holding Company.

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

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 24074991BKEFJN6952

**Place:** Indore  
**Date:** May 30, 2024



## ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 16(h) under 'Report on Other Legal and Regulatory Requirements' section in our report of even date, to the members of Flexituff Ventures International Limited for the year ended 31 March 2024]**

We have audited the internal financial controls over financial reporting of Flexituff Ventures International Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") as of 31 March, 2024 in conjunction with our audit of consolidated financial statements of the Group for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Group's management is responsible for establishing and maintaining internal financial controls with reference to the consolidated financial statements based on the internal control over financial reporting criteria established by the Group 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). 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 Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Group's internal financial control with reference to the consolidated financial statements based on our audit. We conducted audit in accordance with the Guidance Note on Audit of Internal Financial control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Group's Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial

reporting was established and maintained end of such controls operate effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial control systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of financial statements, weather 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 Group's internal financial control system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Group'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 the consolidated financial statement for external purpose in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertains to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the asset of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the companies asset that could have a material effect on the consolidated financial statements.

### **Inherent Limitation of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material statement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subjected to the risk that the internal financial controls over financial reporting 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 Group has, in all material respects, an adequate internal financial controls system over financial reporting and search internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the criteria for internal financial control with reference to consolidated financial statements established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 24074991BKEFJN6952

**Place:** Indore  
**Date:** May 30, 2024



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

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

Particulars	Notes	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	3,350.68	3,749.68
Other Intangible Assets	6	21.25	109.20
Right-of-Use Assets	39	84.58	85.69
Financial Assets			
(i) Investments	7	0.01	0.01
(ii) Other Non-current Financial Assets	8	56.46	85.98
Deferred Tax Assets	35	1,851.09	1,129.67
Non-current Tax Assets (Net)	9	37.15	14.93
Other Non-current Assets	10	2,030.30	0.36
<b>Total Non-current Assets</b>		<b>7,431.52</b>	<b>5,175.52</b>
<b>Current Assets</b>			
Inventories	11	907.92	921.57
Financial Assets			
(i) Trade Receivables	12	1,054.94	1,732.14
(ii) Cash and Cash Equivalents	13	1,552.26	43.85
(iii) Bank Balances other than Cash and Cash Equivalent	14	94.00	79.31
(iv) Loans	15	32.96	48.89
(v) Other Current Financial Assets	16	174.47	180.20
Current Tax Assets (Net)	17	11.38	17.70
Other Current Assets	18	575.92	728.81
<b>Total Current Assets</b>		<b>4,403.85</b>	<b>3,752.47</b>
<b>Total Assets</b>		<b>11,835.37</b>	<b>8,927.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(i) Equity Share Capital	19	307.04	268.83
(ii) Other Equity	20	(650.16)	(871.62)
<b>Total Equity Attributable to Equity Holders</b>		<b>(343.12)</b>	<b>(602.79)</b>
<b>Non Controlling Interests</b>		<b>(97.46)</b>	<b>(91.18)</b>
<b>Total Equity</b>		<b>(440.58)</b>	<b>(693.97)</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	21	169.29	-
(ii) Lease Liabilities	39	72.33	75.10
Provisions	22	110.05	62.28
<b>Total Non-current Liabilities</b>		<b>351.67</b>	<b>137.38</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	23	6,460.54	6,438.10
(ii) Lease Liabilities	39	19.40	12.69
(iii) Trade Payables	24		
a) Outstanding dues to micro enterprises and small enterprises		147.89	-
b) Outstanding dues to creditors other than micro enterprises and small enterprises		1,518.25	1,894.38
(iv) Other Current Financial Liabilities	25	1,264.10	872.06
Provisions	22	2.93	2.09
Other Current Liabilities	26	2,511.17	265.26
<b>Total Current Liabilities</b>		<b>11,924.28</b>	<b>9,484.58</b>
<b>Total Liabilities</b>		<b>12,275.95</b>	<b>9,621.96</b>
<b>Total Equity and Liabilities</b>		<b>11,835.37</b>	<b>8,927.99</b>
Summary of Material Accounting Policies	2		
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

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

Particulars	Notes	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Income</b>			
Revenue from Operations	27	5,985.64	9,152.98
Other Income	28	54.74	126.43
<b>Total Income</b>		<b>6,040.38</b>	<b>9,279.41</b>
<b>Expenses</b>			
Cost of Material Consumed	29	3,648.49	5,331.10
Purchase of Stock-in-Trade		257.90	224.61
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	(36.41)	361.55
Employee Benefits Expense	31	1,697.77	1,753.93
Finance Costs	32	849.63	701.04
Depreciation and Amortization Expense	33	593.23	682.54
Other Expenses	34	1,592.12	1,873.53
<b>Total Expenses</b>		<b>8,602.73</b>	<b>10,928.30</b>
<b>Loss Before Tax</b>		<b>(2,562.35)</b>	<b>(1,648.89)</b>
<b>Income Tax Expense / (Credit)</b>			
Current Tax	35	-	(0.05)
Deferred Tax Charge / (Benefit) (Excluding Mat Credit Entitlement)		(721.88)	(386.79)
Tax for Earlier Years		0.47	-
<b>Total Income Tax Expense/(Credit)</b>		<b>(721.41)</b>	<b>(386.84)</b>
<b>Net Loss for the Year</b>		<b>(1,840.94)</b>	<b>(1,262.05)</b>
<b>Loss from Continuing Operations for the Year Attributable to:</b>			
Equity Holders of the Parent		(1,834.67)	(1,196.65)
Non Controlling Interests		(6.27)	(65.40)
		<b>(1,840.94)</b>	<b>(1,262.05)</b>
<b>Other Comprehensive (Loss)/ Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Re-measurement gains/ (losses) on Defined Benefit Plans		(15.99)	0.94
Income Tax effect on above		4.99	(0.29)
<b>Items that will be reclassified to Profit or Loss</b>			
Exchange difference on Translation of Foreign Operation		17.47	(10.21)
Income Tax effect on above		(5.45)	3.19
<b>Total Other Comprehensive Income for the Year</b>		<b>1.02</b>	<b>(6.37)</b>
<b>Other Comprehensive Income Attributable to:</b>			
Equity Holders of the Parent		1.02	(6.37)
Non Controlling Interests		-	-
<b>Total Comprehensive Loss for the Year Net of Tax</b>		<b>(1,839.92)</b>	<b>(1,268.42)</b>
<b>Total Comprehensive Loss for the Year Attributable to:</b>			
Shareholders of the Company		(1,833.64)	(1,203.02)
Non Controlling Interests		(6.28)	(65.40)
<b>Loss Per Equity Share</b>			
Basic (in.Rs)	36	(6.43)	(48.05)
Diluted (in.Rs)	36	(6.43)	(48.05)
Summary of Material Accounting Policies	2		

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

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

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Cash Flow from Operating Activities</b>		
Loss Before Tax	(2,562.36)	(1,548.89)
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	593.23	682.54
Finance Cost	849.63	701.04
Interest Income	(10.12)	(9.93)
Defined Benefits Reclassified to OCI	(11.00)	0.65
Amortisation of Government Grants	-	-
Provision Written Back	-	-
Liabilities Written Back	0.01	(0.08)
Provision for Bad & Doubtful Debts	162.94	188.18
Loss/(Profit) on Sale of Fixed Assets	-	0.97
Unrealised Foreign Exchange Gain (Net)	(3.32)	13.76
Foreign Currency Translation Reserve	12.02	(7.02)
<b>Operating Profit Before Working Capital changes</b>	<b>(968.97)</b>	<b>21.22</b>
<b>Changes in Working Capital</b>		
Increase/ (Decrease) in Trade Payables	(231.61)	(373.28)
Increase/ (Decrease) in Other Current Liabilities	2,241.91	91.52
Increase/ (Decrease) in Other Financial Liabilities	370.60	(73.20)
Increase/ (Decrease) in Provisions	48.60	6.68
Decrease/ (Increase) in Inventories	13.66	303.96
Decrease/ (Increase) in Trade Receivables	514.79	270.01
Decrease/ (Increase) in Other Bank Balances	(14.69)	(31.24)
Decrease/ (Increase) in Other Financial Assets	36.12	191.11
Decrease/ (Increase) in Loans	15.93	(32.26)
Decrease/ (Increase) in Other Assets	(1,877.05)	(0.37)
<b>Cash Generated from Operations</b>	<b>149.29</b>	<b>374.15</b>
Income Tax Paid	(21.36)	13.78
<b>Net Cash Inflows from Operating Activities (A)</b>	<b>127.93</b>	<b>387.93</b>
<b>Cash Flows from Investing Activities</b>		
Payments for Property, Plant and Equipment and Intangible Assets (Net)	(48.39)	(16.83)
Net Proceeds from Fixed Deposits (having original maturity of more than 12 months)	-	-
Interest Received	9.25	9.50
<b>Net Cash Outflows/(Inflows) from Investing Activities (B)</b>	<b>(39.14)</b>	<b>(7.33)</b>
<b>Cash Flows from Financing Activities</b>		
Net Proceeds/(Repayment) of Borrowings	155.38	(1.08)
Proceeds from Issue of Shares Warrants	(16.45)	47.52
Proceeds from Issue of Shares	(831.19)	63.00
Principal Elements of Lease	16.95	(4.16)
Interest Paid	75.41	(525.51)
Proceeds from issue of CCDs	2,019.53	-
<b>Net Cash Outflows from Financing Activities (C)</b>	<b>1,419.63</b>	<b>(420.23)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,508.42</b>	<b>(39.63)</b>
Cash and Cash Equivalents at the Beginning of the Year	43.85	83.48
Cash and Cash Equivalents at the End of the Year	<b>1,552.26</b>	<b>43.85</b>
<b>Cash and Cash Equivalents Comprise (Refer Note 13)</b>		
Balances with Banks	-	-
In Current Accounts	1,544.39	14.93
In Fixed Deposits with Maturity of less than 3 Months	3.95	26.27
Cash on Hand	3.92	2.65
<b>Total Cash and Bank Balances at end of the Year</b>	<b>1,552.26</b>	<b>43.85</b>

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.

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

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

	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>(A) Equity Share Capital</b>				
Equity shares of Rs.10 each issued, subscribed and fully paid				
Balance at the beginning of the year	26.88	268.83	24.88	248.83
Add: Issued during the year	3.82	38.21	2.00	20.00
<b>Balance at the end of the year</b>	<b>30.70</b>	<b>307.04</b>	<b>26.88</b>	<b>268.83</b>

The Company had made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31<sup>st</sup> March, 2023. Further, the Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs. 21.50 each share during the year ended 31<sup>st</sup> March, 2024.

(B) Other Equity	Equity component of CCD	Money received against Share Warrants	Reserves & surplus			Non Controlling Interests	Total
			Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April 2022	-	-	2,055.07	114.24	(1,918.86)	(25.78)	224.67
Loss for the year	-	-	-	-	(1,196.65)	(65.40)	(1,262.05)
Other comprehensive income / (loss)	-	-	-	-	(6.37)	-	(6.37)
Total comprehensive loss for the year	-	-	-	-	(1,203.02)	(65.40)	(1,268.42)
Issue of equity shares at premium	-	-	43.00	-	-	-	43.00
Impairment of Investment in subsidiary, not considered in previous year	-	-	-	-	(9.56)	-	(9.56)
Issue of share warrants #	-	47.52	-	-	-	-	47.52
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>47.52</b>	<b>2,098.07</b>	<b>114.24</b>	<b>(3,131.45)</b>	<b>(91.18)</b>	<b>(962.80)</b>
Balance as at 1st April 2023	-	47.52	2,098.07	114.24	(3,131.45)	(91.18)	(962.80)
Loss for the year	-	-	-	-	(1,834.67)	(6.28)	(1,840.95)
Other comprehensive income / (loss)	-	-	-	-	1.02	-	1.02
Total comprehensive loss for the year	-	-	-	-	(1,833.65)	(6.28)	(1,839.93)
Recognition of equity component of CCD	2,019.53	-	-	-	-	-	2,019.53
Issue of equity shares at premium	-	-	82.15	-	-	-	82.15
Balance amount received for the share warrants converted into equity shares	-	89.80	-	-	-	-	89.80
Conversion of share warrants into equity shares	-	(120.37)	-	-	-	-	(120.37)
Impairment of Investment in subsidiary	-	-	-	-	(16.01)	-	(16.01)
<b>Balance as at 31st March 2024</b>	<b>2,019.53</b>	<b>16.95</b>	<b>2,180.22</b>	<b>114.24</b>	<b>(4,981.10)</b>	<b>(97.46)</b>	<b>(747.63)</b>

The Company had made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31<sup>st</sup> March, 2023. Further, the Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs. 21.50 each share during the year ended 31<sup>st</sup> March, 2024.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

**NOTES FORMING PART OF THE CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup>  
MARCH 2024**

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

## MATERIAL ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

The consolidated financial statements comprise financial statements of Flexituff Ventures International Limited (the Parent), its subsidiaries (collectively, the Group) for the year ended 31<sup>st</sup> March, 2024.

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 - 454775.

These consolidated financial statements were authorised for issue by the Board of Directors of the parent on **May 30, 2024**.

### 2. MATERIAL ACCOUNTING POLICIES

Material 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). 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
- 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.

##### (d). 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.

**(e). 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 Principles 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 consolidated financial statements are prepared using 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.

**(d).** Two foreign subsidiaries, "Flexiglobal Holding Limited, Cyprus" and "Flexiglobal (UK) Limited, United Kingdom (step-down subsidiary)", have not prepared their financial statements on going concern basis (as considered in these Consolidated Financial Statements) as the members has intention of liquidation through Members' voluntary winding up. The Financials of these subsidiaries as considered in these Consolidated Financial Statements are management accounts and are not audited. These subsidiaries are not material to the Group.

**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	5 to 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 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.

## 2.6 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. 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.

### (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 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 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

### As a lessee

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 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 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, 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.

**(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 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 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.

(e). Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### 4. RECENT PRONOUNCEMENTS

(a). Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(b). **Material accounting policy information**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**5. PROPERTY, PLANT AND EQUIPMENT**

	Gross Block					Depreciation				Net block
	As at 1 <sup>st</sup> April 2023	Additions	Exchange Difference	Deductions	As at 31 <sup>st</sup> March 2024	As at 1 <sup>st</sup> April 2023	For the year	Deductions	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2024
<b>Owned assets</b>										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Buildings	1,283.64	18.52	5.56	-	1,307.72	326.04	49.60	-	375.64	932.08
Plant and Machinery	6,067.60	15.54	30.29	-	6,113.43	3,511.38	415.26	-	3,926.64	2,186.79
Electrical installations	194.08	10.48	0.49	-	205.05	168.50	11.29	-	179.79	25.27
Furniture and Fixtures	34.84	0.10	-	-	34.94	22.58	1.74	-	24.32	10.62
Office Equipment	28.57	0.65	-	-	29.22	23.44	0.88	-	24.32	4.90
Vehicles	19.20	-	-	-	19.20	12.07	2.81	-	14.88	4.33
Computers	19.57	3.08	-	-	22.65	15.22	1.89	-	17.11	5.54
<b>Leased assets</b>										
Leasehold land	21.50	-	-	-	21.50	1.82	0.26	-	2.08	19.42
<b>Total</b>	<b>7,830.73</b>	<b>48.38</b>	<b>36.34</b>	<b>-</b>	<b>7,915.45</b>	<b>4,081.05</b>	<b>483.73</b>	<b>-</b>	<b>4,564.78</b>	<b>3,350.68</b>

	Gross Block					Depreciation				Net block
	As at 1 <sup>st</sup> April 2022	Additions	Exchange Difference	Deductions	As at 31 <sup>st</sup> March 2023	As at 1 <sup>st</sup> April 2022	For the year	Deductions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2023
<b>Owned assets</b>										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Buildings	1,248.82	3.91	30.91	-	1,283.64	277.07	48.97	-	326.04	957.60
Plant and Machinery	5,892.46	11.88	168.35	5.08	6,067.60	3,028.53	485.94	3.10	3,511.38	2,556.22
Electrical installations	191.03	0.31	2.74	-	194.08	151.35	17.15	-	168.50	25.58
Furniture and Fixtures	34.81	0.03	-	-	34.84	20.38	2.20	-	22.58	12.26
Office Equipment	27.99	0.58	-	-	28.57	22.49	0.95	-	23.44	5.13
Vehicles	19.20	-	-	-	19.20	9.17	2.90	-	12.07	7.13
Computers	18.42	1.15	-	-	19.57	13.13	2.09	-	15.22	4.35
<b>Leased assets</b>										
Leasehold land	21.50	-	-	-	21.50	1.56	0.26	-	1.82	19.68
<b>Total</b>	<b>7,615.96</b>	<b>17.86</b>	<b>202.00</b>	<b>5.08</b>	<b>7,830.73</b>	<b>3,523.68</b>	<b>560.47</b>	<b>3.10</b>	<b>4,081.05</b>	<b>3,749.68</b>

**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 <sup>st</sup> April 2023	Additions	Deductions	As at 31 <sup>st</sup> March 2024	As at 1 <sup>st</sup> April 2023	For the year	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2024
<b>Other intangible assets</b>								
Patents	0.35	-	-	0.35	0.35	-	0.35	-
Computer Software	4.32	0.02	-	4.34	4.10	0.05	4.15	0.19
Development assets	787.26	-	-	787.26	678.28	87.93	766.21	21.06
<b>Total</b>	<b>791.93</b>	<b>0.02</b>	<b>-</b>	<b>791.95</b>	<b>682.73</b>	<b>87.98</b>	<b>770.71</b>	<b>21.25</b>

	Gross Block				Amortisation			Net Block
	As at 1 <sup>st</sup> April 2022	Additions	Deductions	As at 31 <sup>st</sup> March 2023	As at 1 <sup>st</sup> April 2022	For the year	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2023
<b>Other intangible assets</b>								
Patents	0.35	-	-	0.35	0.35	-	0.35	-
Computer Software	4.32	-	-	4.32	4.05	0.05	4.10	0.22
Development assets	787.26	-	-	787.26	561.93	116.35	678.28	108.98
<b>Total</b>	<b>791.93</b>	<b>-</b>	<b>-</b>	<b>791.93</b>	<b>566.33</b>	<b>116.40</b>	<b>682.73</b>	<b>109.20</b>

## 7. INVESTMENTS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Investment in equity shares at fair value through profit and loss</b>		
<b>Unquoted</b>		
1,100 (31 March 2023: 1,100) Equity Shares of Rs. 10 each fully paid-up in Neemuch Solid Waste Management Private Limited	0.01	0.01
<b>Total Non Current Investment</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate book value of:</b>		
Unquoted investments	0.01	0.01
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

## 8. NON-CURRENT FINANCIAL ASSETS - OTHERS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
In fixed deposit accounts with maturity for more than 12 months from balance sheet date *	4.00	29.53
Security deposits	52.46	56.45
<b>Total Non-current Financial Assets - Others</b>	<b>56.46</b>	<b>85.98</b>

\* Out of the total Fixed Deposits ("FD's") balance of Rs 4.00 millions (31 March 2023: 29.53 millions), the FD's of Rs Nil (31 March 2023: Nil) million are given as tender money, FD of Rs Nil (31 March 2023: Nil) is pledged to a lender and the balance FD's of Rs. 4.00 millions (31 March 2023: 29.53 millions) are earmarked against credit facilities and bank guarantees availed by the Group.

## 9. NON-CURRENT TAX ASSETS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Advance income tax (net)	37.15	14.93
<b>Total Non-current Tax Assets</b>	<b>37.15</b>	<b>14.93</b>

## 10. OTHER NON-CURRENT ASSETS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Prepaid expenses	0.07	0.13
Security deposits	0.23	0.23
Advance against business transfer	2,030.00	-
<b>Total Other Non-current Other Assets</b>	<b>2,030.30</b>	<b>0.36</b>

## 11. INVENTORIES \*

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Raw material in stock	72.95	128.77
Raw material in transit	0.50	7.40
Consumables	88.13	67.16
Work in progress in stock	416.02	286.96
Finished goods in stock	314.00	406.65
Store and spares parts including packing material	16.32	24.63
<b>Total inventories</b>	<b>907.92</b>	<b>921.57</b>

\* Hypothecated as charge against borrowings. Refer Note 21 and 23

Write-downs of inventories (net of reversal) to net realisable value amounted to Rs. 2.86 million (31 March 2023 - Rs. 2.24 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 the Statement of Profit and Loss.

## 12. TRADE RECEIVABLE

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Trade Receivables	975.45	1,924.07
Receivables from related parties (Refer Note 41)	696.25	261.89
Less: Loss Allowance	(616.76)	(453.82)
<b>Total Trade Receivables</b>	<b>1,054.94</b>	<b>1,732.14</b>
<b>Break-up of security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,632.40	2,128.72
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	39.30	57.24
<b>Total</b>	<b>1,671.70</b>	<b>2,185.96</b>
Loss allowance	(616.76)	(453.82)
<b>Total Trade Receivables</b>	<b>1,054.94</b>	<b>1,732.14</b>

Trade Receivables Ageing Schedule *							
	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	96.67	259.44	108.16	140.56	53.69	973.88	1,632.40
(ii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	39.30	39.30
<b>As at March 31, 2024</b>	<b>96.67</b>	<b>259.44</b>	<b>108.16</b>	<b>140.56</b>	<b>53.69</b>	<b>1,013.18</b>	<b>1,671.70</b>

Trade Receivables Ageing Schedule *							
	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	393.80	98.23	100.83	21.21	236.53	1,278.12	2,128.72
(ii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	57.24	57.24
<b>As at March 31, 2023</b>	<b>393.80</b>	<b>98.23</b>	<b>100.83</b>	<b>21.21</b>	<b>236.53</b>	<b>1,335.36</b>	<b>2,185.96</b>

\* The ageing schedule is prepared considering the credit period of 90 days for receivables from Domestic sales, 120 days for receivables from Merchant Export Sales and 180 days for receivables from Export Sales.

### 13. CASH AND CASH EQUIVALENTS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Balances with banks		
- in current accounts	1,544.39	14.93
- in fixed deposits with maturity of less than 3 months	3.95	26.27
Cash on hand	3.92	2.65
<b>Total Cash and Cash Equivalents</b>	<b>1,552.26</b>	<b>43.85</b>

\* Out of total Fixed Deposits ("FD's") of Rs 3.95 million (31 March 2023 : 26.27 millions), FD's of Nil (31 March 2023 : Nil millions) are given as tender money and balance FD's of Rs 3.95 million (31 March 2023 : 26.27 million) are earmarked against the credit facilities and bank guarantees availed by the Parent.

### 14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date*	94.00	79.31
Unpaid dividend **	-	-
<b>Total Bank Balances other than Cash and Cash Equivalent</b>	<b>94.00</b>	<b>79.31</b>

\* Out of total Fixed Deposits ("FD's") of Rs 94.00 million (31 March 2023 : 79.31 millions), FD's of Rs 42.22 million (31 March 2023 : 35.56) are given as tender money and balance FD's of Rs 51.78 millions (31 March 2023 : 43.95 million) are earmarked against the credit facilities and bank guarantees availed by the Parent.

\*\* Balance in unpaid dividend accounts before rounding to millions are given below:

## 15. CURRENT FINANCIAL ASSETS - LOANS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<u>Secured, considered good</u>		
Security Deposit	32.96	48.89
<u>Unsecured, considered good</u>		
Intercompany deposits	-	-
<b>Total Current Financial Assets - Loans</b>	<b>32.96</b>	<b>48.89</b>
<b>Break-up of Loans</b>		
Loans considered good - Secured	32.96	48.89
Loans considered good - Unsecured	-	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total Loans</b>	<b>32.96</b>	<b>48.89</b>

## 16. CURRENT FINANCIAL ASSETS - OTHERS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Interest accrued on fixed deposits	5.86	4.98
Advance to staff	19.47	11.60
Other advances	0.24	0.79
Unbilled revenue #	52.15	77.27
Security deposit	96.75	85.56
<b>Total Current Financial Assets - Others</b>	<b>174.47</b>	<b>180.20</b>
# Classified as financial asset as right to consideration is unconditional upon passage of time.		

## 17. CURRENT TAX ASSETS (NET)

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Advance Income tax (net)	11.38	17.70
<b>Total Current Tax Assets (Net)</b>	<b>11.38</b>	<b>17.70</b>

## 18. OTHER CURRENT ASSETS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Advance to suppliers *	153.34	131.05
Advance to employees	-	17.31
Balance with government authorities	299.75	495.57
Deposits with government authorities	59.97	59.96
Prepaid expenses	8.05	22.68
Other receivables	54.80	2.24
<b>Total Other Current Assets</b>	<b>575.92</b>	<b>728.81</b>
<b>* Advance to Suppliers</b>		
- Considered good	153.34	131.05
<b>Total</b>	<b>153.34</b>	<b>131.05</b>

## 19. EQUITY SHARE CAPITAL

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.	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Authorized</b>		
40,000,000 (31 March 2023: 40,000,000) Equity Shares of Rs.10 each	400.00	400.00
<b>Total</b>	<b>400.00</b>	<b>400.00</b>
<b>Issued, subscribed and paid up</b>		
30,704,082 (31 March 2023: 24,882,806) equity shares of Rs.10 each fully paid	307.04	268.83
<b>Total</b>	<b>307.04</b>	<b>268.83</b>

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	Number of shares in millions	Amount	Number of shares in millions	Amount
Outstanding at the beginning of the year	26.88	268.83	24.88	248.83
Add: Issued during the year	3.82	38.21	2.00	20.00
Outstanding at the end of the year	<b>30.70</b>	<b>307.04</b>	<b>26.88</b>	<b>268.83</b>

### (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, 2024, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2023: 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 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	Number of shares in millions	% of holding in the class	Number of shares in millions	% of holding in the class
<b>Name of the shareholder</b>				
1. Kalani Industries Pvt Ltd	3.62	11.79%	3.62	13.47%
2. International Finance Corporation	1.90	6.20%	1.90	7.08%
3. Saurabh Properties Pvt Ltd	1.64	5.33%	1.64	6.09%
4. Miscellani Global Pvt Ltd	1.36	4.43%	1.36	5.06%

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.

<b>(f) Details of Shares held by Promoters</b>						
<b>As at March 31, 2024</b>	<b>Number of shares in millions at the beginning of the year</b>	<b>Changes during the year</b>	<b>Number of shares in millions at the end of the year</b>	<b>% of Total Shares</b>	<b>% Change during the year</b>	
<b>Promoter Name</b>						
Kalani Industries Private Limited	3.62	0	3.62	11.79%	0%	
Miscellani Global Private Limited	1.36	0	1.36	4.43%	0%	
Anshuman Properties Pvt Ltd	1.15	0	1.15	3.75%	0%	
High Skey Properties Pvt. Ltd.	1.04	0	1.04	3.39%	0%	
Sanovi Trading Private Limited	1.01	0	1.01	3.29%	0%	
Green Enviornment Privat Trust	0.60	0.6	1.20	3.91%	100%	
Gourment Private Trust	0.60	0.39	0.99	3.22%	65%	
<b>As at March 31, 2023</b>	<b>Number of shares in millions at the beginning of the year</b>	<b>Changes during the year</b>	<b>Number of shares in millions at the end of the year</b>	<b>% of Total Shares</b>	<b>% Change during the year</b>	
<b>Promoter Name</b>						
Kalani Industries Private Limited	3.62	-	3.62	13.47%	-1.08%	
Miscellani Global Private Limited	1.36	-	1.36	5.06%	-0.41%	
Anshuman Properties Pvt Ltd	1.15	-	1.15	4.28%	-0.34%	
High Skey Properties Pvt. Ltd.	1.04	-	1.04	3.87%	-0.31%	
Sanovi Trading Private Limited	1.01	-	1.01	3.76%	-0.30%	
Green Enviornment Privat Trust	-	0.60	0.60	2.23%	2.23%	
Gourment Private Trust	-	0.60	0.60	2.23%	2.23%	

## 20. OTHER EQUITY

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Securities premium	2,180.22	2,098.07
General reserve	114.24	114.24
(Loss) in the Statement of Profit and Loss	(4,981.10)	(3,131.45)
Money received against Share Warrants	16.95	47.52
Recognition of equity component of CCD	2,019.53	
<b>Total Other Equity</b>	<b>(650.16)</b>	<b>(871.62)</b>

### 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.
Retained Earnings	All other net gains, losses and transactions with owners (e.g.: dividends) not recognised elsewhere.
Money received against Share Warrants	Money received against share warrants is the amount received by the Company which is converted into shares at a specified date at a specified rate.

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>(A) Equity Component of CCD</b>		
Recognition of equity component of CCD	2,019.53	-
	<b>2,019.53</b>	<b>-</b>
<b>(A) Securities Premium</b>		
Opening Balance	2,098.07	2,055.07
Add : Premium on issue of equity shares	82.15	43.00
<b>Closing Balance</b>	<b>2,180.22</b>	<b>2,098.07</b>
<b>(B) General Reserve</b>		
Opening Balance	114.24	114.24
Addition /(Transfer) during the year	-	-
<b>Closing Balance</b>	<b>114.24</b>	<b>114.24</b>



<b>(C) Retained Earnings</b>		
Opening Balance	(3,131.45)	(1,918.86)
Add: Net loss for the current year	(1,834.67)	(1,196.65)
Add: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	(11.00)	0.65
(Less): Exchange difference on account of translation difference	12.02	(7.02)
(Less) : Impairment of Investment in subsidiary	(16.01)	(9.56)
<b>Closing Balance</b>	<b>(4,981.10)</b>	<b>(3,131.45)</b>
<b>(D) Money received against Share Warrants</b>		
Opening Balance	47.52	-
Conversion of Share warrant into equity shares	(120.37)	
Balance amount received for the share	89.80	
Issue of share warrants #	-	47.52
<b>Closing Balance</b>	<b>16.95</b>	<b>47.52</b>
<b>Total Other Equity</b>	<b>(650.16)</b>	<b>(871.62)</b>

The Company had made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31<sup>st</sup> March, 2023. Further, the Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs. 21.50 each share during the year ended 31<sup>st</sup> March, 2024.

## 21. NON-CURRENT BORROWINGS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Secured</b>		
<b>- Term loans</b>		
From other parties (refer note (a) and (c) below)	357.86	632.11
Less : Current Maturities of secured long term borrowings	(359.42)	(632.11)
	<b>(1.56)</b>	<b>-</b>
<b>Unsecured</b>		
Foreign Currency Convertible Bonds (refer note (b) below)	2,626.28	2,589.93
<b>- Liability component of compound financial instruments</b>		
Convertible debentures	70.65	-
<b>- Other loans</b>		
From other parties	147.07	-
Less : Current Maturities of unsecured long term borrowings	(2,673.15)	(2,589.93)
	170.85	-
<b>Total Non Current Borrowings</b>	<b>169.29</b>	<b>-</b>

### (a) Terms of secured borrowings are as under:

Description	Rate of interest	Terms of Repayment	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Term loans from Banks</b>				
Vehicle loan from Banks	NIL (31 March 2022 : 9% to 11%)		-	-
<b>Term loan from other parties</b>				
Assets Care & Reconstruction Enterprise Ltd ("ACRE") (including PIK loan)	24% (31 March 2022: 24%)	The loan is to be repaid in parts or in full on or before March 31, 2024.	-	249.27
IFCI Limited	15.40% (31 March 2022 : 15.40%)	As on year ended March 31, 2023 the Company has defaulted in repayment installments aggregating to Rs. 382.83 million. This amount is overdue and payable to IFCI Limited.	359.42	382.84
			<b>359.42</b>	<b>632.11</b>
Less: Unamortised processing cost			-	-
Less: Classified under current liabilities			359.42	632.11
<b>Total</b>			<b>-</b>	<b>-</b>

**(b) Terms of unsecured borrowing are as under:**
**(i) Foreign Currency Convertible Bonds**

As at 31<sup>st</sup> March , 2024, the Company has two foreign currency convertible bonds aggregating USD 31.5 million (31 March 2023 : USD 31.5 million):

i) 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.

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 year ended March 31, 2019, the bondholder had provided extension for repayment of said bonds based on revised terms and conditions. As per the revised terms and conditions the interest rate has been revised from 5.44% to 6.94% p.a. 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.

Description / FCCB Repayment Revised Timeline	Amount in USD in Millions
Repaid during previous year ended 31 March 2019	2.50
30-06-2019 (Defaulted)	1.13
31-12-2019 (Defaulted)	1.13
30-06-2020 (Defaulted)	2.25
31-12-2020 (Defaulted)	2.25
30-06-2021 (Defaulted)	4.50
31-12-2021 (Defaulted)	5.63
30-06-2022 (Defaulted)	5.63

**(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.

Six related and five third parties have pledged their shareholding in the Company aggregating to 6,710,560 shares against term loans from banks and term loans from other parties. Four related parties have pledged its shareholding in the Company aggregating to 6,022,681 shares against foreign currency convertible bonds.

**(d) Period and amount of default:**

During the year ended March 31, 2023 the Company has defaulted in repayment of following dues:

Name of Lenders	Principal default in Rs. Millions as at March 31, 2024	Default in Interest Rs. Millions as at March 31, 2024 (net of TDS and interest not accrued, Refer Note 49)	Period of default since
<b>Financial Institutions:</b>			
1. International Finance Corporation	750.37	286.37	January 2019
2. TPG Growth II SF Pte. Ltd.	1,875.91	885.33	June 2019
3. IFCI Limited	359.42	273.96	July 2019

## 22. PROVISIONS

	Non Current		Current	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Provision for employee benefits</b>				
Provision for gratuity (funded) (refer note 39)	86.90	43.54	-	-
Provision for compensated absences (unfunded)	23.15	18.74	2.93	2.04
Other Provisions	-	-	-	0.05
<b>Total Provisions</b>	<b>110.05</b>	<b>62.28</b>	<b>2.93</b>	<b>2.09</b>

## 23. SHORT-TERM BORROWINGS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Secured</b>		
Working capital demand loan from banks, cash credit and packing credit (refer note below)	3,310.10	3,040.00
Bills discounted with banks	-	-
<b>Unsecured</b>		
From other parties (refer note below)	30.81	30.80
Bills discounted		
- with Banks	87.07	145.26
- with others	-	-
Current maturities of long-term borrowings (refer note 21)	3,032.56	3,222.04
<b>Total Short-term Borrowings</b>	<b>6,460.54</b>	<b>6,438.10</b>

### (a) Terms and conditions of loans:

- i. Outstanding loans from banks carry interest from 4.5% to 18% p.a., repayable on demand
- ii. Outstanding loans from other parties carry interest of 12% p.a., repayable on demand

### (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 Parent 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 Parent Company

### (c) Period and amount of default:

The Parent Company has overutilised the cash credit facilities by Rs 2,196.92 million (including interest) based on drawing power sanctioned by banks in March 2024 due to devolvement of Letter of Credit issued by banks and interest charged. Bank-wise details of over-utilisation is given below:

Name of Bank	Over-utilisation of Cash Credit in Rs. Millions as at March 31, 2024	Period of default since
1. Punjab National Bank	816.16	December 2021
2. Bank of Baroda	434.29	January 2020
3. Central Bank of India	546.97	December 2021
4. Axis Bank	79.43	November 2022
5. UCO Bank	320.07	July 2023
<b>Total</b>	<b>2,196.92</b>	

## 24. TRADE PAYABLES

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Total outstanding dues of micro enterprises and small enterprises *	147.89	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,518.25	1,894.38
<b>Total Trade Payables</b>	<b>1,666.14</b>	<b>1,894.38</b>

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	147.89	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	11.50	-
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	-	-

### Trade Payables Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	49.25	94.19	2.68	0.97	0.80	147.89
(ii) Others	907.53	465.09	88.45	16.82	40.35	1,518.25
<b>As at March 31, 2024</b>	<b>956.78</b>	<b>559.28</b>	<b>91.13</b>	<b>17.79</b>	<b>41.15</b>	<b>1,666.14</b>

### Trade Payables Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1,255.16	523.82	42.64	17.08	55.68	1,894.38
<b>As at March 31, 2023</b>	<b>1,255.16</b>	<b>523.82</b>	<b>42.64</b>	<b>17.08</b>	<b>55.68</b>	<b>1,894.38</b>

\* The ageing schedule is prepared considering the credit period of 90 days for domestic purchases and 180 days for import purchases.

\* There are no disputed trade payables as at March 31, 2024 and March 31, 2023.

## 25. OTHER FINANCIAL LIABILITIES

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Interest accrued but not due on borrowings	634.41	615.97
Unpaid dividend *		-
Employee related payable	237.79	231.71
Government grants #	0.40	0.40
Security Deposit		-
Employee Security Deposits	7.50	6.75
Other payables	384.00	17.23
<b>Total Other Financial Liabilities</b>	<b>1,264.10</b>	<b>872.06</b>
<b># Government Grants</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Opening balance	0.40	8.86
Grants received during the year	2.74	5.50
Less: Reclassed to profit or loss	(2.74)	(13.96)
<b>Closing balance</b>	<b>0.40</b>	<b>0.40</b>

## 26. OTHER CURRENT LIABILITIES

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Statutory dues payable	314.43	172.08
Advance received from customers	164.00	93.18
Other Payables	3.54	-
Advance Against Business Transfer (Refer Note 56)	2,029.20	(0.00)
<b>Total Other Current Liabilities</b>	<b>2,511.17</b>	<b>265.26</b>

## 27. REVENUE FROM OPERATIONS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Sale of products		
- Finished goods	5,570.78	8,816.55
- Traded goods	277.72	246.02
Sale of services	126.80	73.03
Other operating revenue	10.34	17.38
<b>Total Revenue from Operations</b>	<b>5,985.64</b>	<b>9,152.98</b>
<b>Reconciliation of revenue recognised:</b>		
Gross Revenue	5,994.64	9,144.83
Adjustment for:	15.70	1.23
Less : Discounts / Incentives	3.64	8.01
<b>Revenue from operations</b>	<b>5,975.30</b>	<b>9,135.59</b>

## 28. OTHER INCOME

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Interest income on financial assets at amortisation cost	10.12	9.93
Foreign Exchange Gain (net)	26.39	67.83
Government grants #	2.74	13.96
Liabilities no longer required written back	0.01	0.08
Other non operating income	15.48	34.63
<b>Total Other Income</b>	<b>54.74</b>	<b>126.43</b>

# 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 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>(a) Raw materials consumed</b>		
Inventory at the beginning of the year	136.18	120.24
Add: Purchases	3,087.70	4,701.50
Less: Inventory at the end of the year	(73.45)	(136.18)
<b>Cost of raw material consumed</b>	<b>3,150.43</b>	<b>4,685.56</b>
<b>(b) Consumables consumed</b>		
Inventory at the beginning of the year	67.16	22.13
Add: Purchases during the year	519.04	690.57
Less: Inventory at the end of the year	(88.14)	(67.16)
<b>Cost of consumables consumed</b>	<b>498.06</b>	<b>645.54</b>
<b>Total cost of material consumed (a+b)</b>	<b>3,648.49</b>	<b>5,331.10</b>

## 30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Inventories at the beginning of the year</b>		
-Stock in trade	286.96	259.60
-Finished goods	406.65	795.56
	<b>693.61</b>	<b>1,055.16</b>
<b>Less: Inventories at the end of the year</b>		
-Work-in-progress	416.02	286.96
-Finished goods	314.00	406.65
	<b>730.02</b>	<b>693.61</b>
<b>Net Decrease</b>	<b>(36.41)</b>	<b>361.55</b>

### 31. EMPLOYEE BENEFITS EXPENSE

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Salaries, wages, bonus and other allowances	1,485.52	1,539.93
Contribution to provident and other funds	112.92	123.61
Gratuity expenses (refer note 38)	28.50	24.05
Staff welfare expenses	70.83	66.34
<b>Total Employee Benefits Expense</b>	<b>1,697.77</b>	<b>1,753.93</b>

### 32. FINANCE COSTS

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Interest Expense</b>		
- On borrowings	838.12	701.04
- On MSME	11.51	-
<b>Total Finance Costs</b>	<b>849.63</b>	<b>701.04</b>

### 33. DEPRECIATION AND AMORTISATION EXPENSE

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Depreciation (refer note 5)	483.73	560.47
Amortization (refer note 6 and 39)	109.50	122.07
<b>Total Depreciation and Amortization Expense</b>	<b>593.23</b>	<b>682.54</b>

### 34. OTHER EXPENSES

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Consumption of stores and spares	109.57	127.61
Power, fuel & electricity	328.07	364.55
Job work charges	118.37	235.55
Repairs and maintenance	27.92	24.83
Rates and taxes	49.14	21.29
Postage, telephone and fax	14.82	10.16
Insurance	30.05	28.11
Legal, professional and consultancy charges	67.83	70.34
Printing and stationery	3.60	3.82
Carriage and freight	181.08	388.85
Brokerage & commission	12.52	11.27
Travelling	116.41	106.70
Advertising and sales promotion	36.89	197.96
Rent	30.16	17.78
Provision for doubtful debts	162.94	188.18
Audit fees*	3.28	3.38
Loss on sale of asset	-	0.97
Bad Debts and advances Written off **	20.31	-
Corporate Social Responsibility (CSR)	-	-
Rebates and allowances	-	-
Loss on Sale of MEIS Scrip (including Time Barred MEIS Written off)	-	-
Impairment on investment	-	16.83
Miscellaneous expenses	174.81	55.35
Work Contract Execution Expenses	104.35	-
<b>Total Other Expenses</b>	<b>1,592.12</b>	<b>1,873.53</b>

\*Note: The following is the break-up of Auditors remuneration (exclusive of applicable taxes)

<b>As auditor:</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Statutory audit	1.58	1.68
Limited review fees	1.50	1.50
Tax audit	0.20	0.20
Certification fees & Other services	-	-
Reimbursement of expenses	-	-
<b>Total</b>	<b>3.28</b>	<b>3.38</b>

### 35. INCOME TAX

<b>(A) Deferred tax relates to the following:</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Deferred Tax Assets</b>		
On provision for employee benefits	48.19	32.40
On provision for doubtful debts	250.76	187.12
On unabsorbed depreciation and carry forward business losses	1,627.88	1,044.08
On capital losses	-	-
On lease obligations	2.23	27.39
On others	-	-
	<b>1,929.06</b>	<b>1,290.99</b>
<b>Deferred Tax Liabilities</b>		
On property, plant and equipment	(357.74)	(414.36)
On right of use assets	-	(26.73)
	<b>(357.74)</b>	<b>(441.09)</b>
Deferred tax assets/ (liabilities) net	1,571.32	849.90
Minimum Alternative Tax (MAT) entitlements #	279.77	279.77
Total Deferred Tax Assets Net (refer note 35(E))	<b>1,851.09</b>	<b>1,129.67</b>

<b>(B) Deferred tax charge to be recognized in Statement of Profit and Loss</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Deferred tax liabilities/(assets) (net)	(1,571.32)	(849.90)
Less: Opening Deferred tax liabilities	(849.90)	(460.21)
Add: Deferred tax impact on other comprehensive income	4.99	2.90
<b>Deferred Tax Expense for the year (A)</b>	<b>(716.43)</b>	<b>(386.79)</b>
Minimum Alternative Tax (MAT) entitlements:		
Closing balances	279.77	279.77
Less: Opening balances	(279.77)	(279.77)
<b>MAT Credit for the year (B)</b>	<b>-</b>	<b>-</b>
<b>Net impact on Statement of profit &amp; loss (A+B)</b>	<b>(716.43)</b>	<b>(386.79)</b>

<b>(C) Income Tax Expense</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Current tax	-	(0.05)
MAT Charge for the prior year	-	-
MAT Credit	-	-
Deferred tax charge (excluding MAT credit entitlement)	(716.43)	(386.79)
Tax for earlier years	0.47	-
<b>Total</b>	<b>(715.96)</b>	<b>(386.84)</b>



**(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.

# The Parent Company is carrying deferred tax asset aggregating to Rs. 1,851.09 million (including MAT Credit of Rs 279.77 millions). Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset and 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 assets recognised.

**36. LOSS PER SHARE**

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Loss for the year attributable to:</b>		
Equity holders of the parent	(1,834.67)	(1,196.65)
Non-controlling interest	(6.27)	(65.40)
<b>Loss attributable to equity holders</b>	<b>(1,834.67)</b>	<b>(1,196.65)</b>
Weighted average number of equity shares for basic loss per share	286.09	24.91
Effect of dilution:		
Foreign currency convertible bonds *	-	-
Weighted average number of equity shares adjusted for the effect of dilution	<b>286.09</b>	<b>24.91</b>
Basic loss per share (INR)	(6.43)	(48.05)
Diluted loss per share (INR)	(6.43)	(48.05)

\*The Parent Company has Foreign currency convertible bonds and Share Warrants 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.

**37. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS**

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Corporate guarantees given on behalf of:		
- Related party	-	950.00
- Others	20.11	20.11
Disputed tax demands		
- Income Tax	116.02	15.54
- Sales tax / VAT	43.49	45.27
- Entry tax	13.89	13.89
Customs, Excise & GST	590.95	478.11
Other Matters	1.65	792.70
<b>Total contingent liabilities</b>	<b>786.11</b>	<b>2,315.62</b>
<b>Note:</b>		
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.		
<b>Contingent Assets</b>		
Contingent assets as on 31 March 2024: Nil (31 March 2023: Nil)		
<b>Commitments</b>		
Commitments as on 31 March 2024: Nil (31 March 2023: Nil)		

### 38. EMPLOYEE BENEFITS

The Group has the following employee benefit plans:	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>(A) Defined Contribution Plans:</b>		
Expense recognised during the year	112.92	123.61
<b>(B) Defined benefit plan: Gratuity payable to employees</b>		
Expense recognised during the year	28.50	24.05

i) Actuarial Assumptions	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Discount rate (per annum)	7.22%	7.36%
Rate of increase in Salary	4.00%	3.00%
Expected average remaining working lives of employees (years)	21.78	23.09
Attrition rate		
-upto 30 years	3%	3%
-31 to 44 years	2%	2%
-above 44 years	1%	1%

ii) Changes in the Present Value of Defined Benefit Obligation	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Present value of obligation at the beginning of the year</b>	<b>152.89</b>	<b>143.55</b>
Interest cost	11.25	10.31
Past service cost	-	-
Current service cost	25.29	21.44
Benefits paid	(17.62)	(19.68)
Actuarial (gain)/ loss on obligations	13.78	(2.73)
<b>Present value of obligation at the end of the year</b>	<b>185.59</b>	<b>152.89</b>

iii) Change in the fair value of plan assets:	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening fair value of plan assets	109.35	107.17
Expected return on plan assets	7.56	7.67
Contributions by employer	1.61	15.98
Benefits paid	(17.62)	(19.68)
Actuarial (losses)/ gains	(2.21)	(1.79)
<b>Closing fair value of plan assets</b>	<b>98.69</b>	<b>109.35</b>

iv) Assets and liabilities recognized in the Balance Sheet:	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Liabilities at the end of the year	185.59	152.89
Fair value of plan assets at the end of the year	(98.69)	(109.35)
Liabilities recognised in the Balance Sheet (Classified as Non Current, Refer Note 22)	<b>86.90</b>	<b>43.54</b>

v) Actual return on plan assets:	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Expected return on plan assets	7.56	7.67
Actuarial (losses)/ gains on plan assets	(2.21)	(1.79)
<b>Actual return on plan assets</b>	<b>5.35</b>	<b>5.88</b>

<b>vi) Expense recognized in the Statement of Profit and Loss</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Employee benefits expense</b>		
Net Interest cost	3.20	2.61
Current service cost	25.29	21.44
<b>Total expenses**</b>	<b>28.49</b>	<b>24.05</b>
**Included in employee benefit expenses (Refer note 31)		
<b>Other comprehensive income</b>		
Actuarial gain / (loss) for the year on obligations	(13.78)	2.73
Actuarial gain / (loss) for the year on plan assets	(2.21)	(1.79)
<b>Total actuarial [losses]/ gains to be recognised</b>	<b>(15.99)</b>	<b>0.94</b>
<b>Total expense recognised in Statement of profit and loss</b>	<b>44.48</b>	<b>23.11</b>

<b>vii) Expected contribution to the fund in the next year</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Gratuity	28.50	27.63
	<b>Employee's gratuity fund</b>	

<b>viii) A quantitative sensitivity analysis for significant is as shown below:</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Impact on defined benefit obligation</b>		
<b>Discount rate</b>		
0.5% increase	(9.27)	(7.55)
0.5% decrease	10.09	8.21
<b>Rate of increase in salary</b>		
0.5% increase	10.21	8.43
0.5% decrease	(9.44)	(7.85)

<b>ix) Maturity profile of defined benefit obligation</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Year</b>		
0 to 1 Year	11.05	8.25
1 to 2 Year	8.46	6.92
2 to 3 Year	11.24	6.79
3 to 4 Year	8.77	8.88
4 year onwards	146.06	122.04
	<b>185.58</b>	<b>152.88</b>

<b>x) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Particulars</b>		
Insurance policy with LIC Life Insurance (%)	100.00%	100.00%

### 39. LEASES

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, 2024.

<b>(i) Amounts recognised in balance sheet</b>		<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
The balance sheet shows the following amounts relating to leases:			
<b>Right-of-use assets</b>			
Buildings		84.58	85.69
<b>Total</b>		<b>84.58</b>	<b>85.69</b>
<b>Lease Liabilities</b>			
Current		19.40	12.69
Non - Current		72.33	75.10
<b>Total</b>		<b>91.73</b>	<b>87.79</b>
<b>(ii) Amounts recognised in the statement of profit and loss</b>		<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
The statement of profit or loss shows the following amounts relating to leases:			
<b>Depreciation charge of right-of-use assets</b>			
Buildings		21.52	5.67
<b>Total</b>		<b>21.52</b>	<b>5.67</b>
	<b>Notes</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Interest expense</b> (included in finance costs)	32	14.25	3.20
<b>Expense relating to short-term leases</b> (included in other expenses)	34	29.80	17.78
<b>Total</b>		<b>44.05</b>	<b>20.98</b>

### 40. 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 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
- x. Ratangiri Vinmay Pvt Ltd
- xi. Sunrise Properties Private Limited
- xii. Pusti Trading Pvt. Ltd
- xiii. Seven Star Properties Pvt. Ltd
- xiv. Sanovi Trading Pvt. Ltd
- xv. Saurabh Properties Pvt. Ltd
- xvi. Dumet Wire India Pvt. Ltd
- xvii. Treasure Management Malls Private Limited

xviii. Dreamworld Digital Shopping Pvt. Ltd.

xix. Indore Treasure Town Pvt. Ltd.

**Key Management Personnel (KMP)**

- i. Mr. Saurabh Kalani, (Whole Time Director)
- ii. Mr. Anirudh Sonpal (Independent Director)
- iii. Ms. Alka Sagar (Non Executive Woman Director)
- iv. Mr. Dharmendra Pawar (Independent Director)
- v. Mr. Jagdish Prasad Pandey (Whole-Time Director from September 11, 2020)
- vi. Mr. Ramesh Chand Sharma (Chief Financial Officer from January 01, 2021)
- vii. Mr. Rishabh Kumar Jain (Company Secretary from February 10, 2021)
- viii. Mr. Rahul Chouhan (Whole -Time Director from November 12, 2021)

**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. Mr. Rahul Pandey (Son of Mr. Jagdish Prasad Pandey)
- vii. Mrs. Rajkumari Sharma (Wife of Mr. Ramesh Chand Sharma)
- viii. Mrs. Namita Kalani (Wife of Mr. Saurabh Kalani)

**Trust**

- i. Flexituff Ventures Int. Employees Group Gratuity Trust

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

(i) Sale of goods	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Wanderland Real Estate Pvt Ltd	122.87	665.79
Indore Treasure Town Pvt. Ltd.	-	5.67
Dreamworld Digital Shopping Private Limited	2.65	-
Herbal Dream Ayurveda Creations Private Limited	33.56	129.00
	<b>159.08</b>	<b>800.46</b>
(ii) Sale of Services	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Dreamworld Digital Shopping Pvt Ltd.	17.47	12.15
Herbal Dream Ayurveda Creations Private Limited	4.38	3.27
	<b>21.85</b>	<b>15.42</b>
(iii) Purchase of goods	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Herbal Dream Ayurveda Creations Private Limited	0.38	-
	<b>0.38</b>	<b>-</b>
(iv) Rent expenses	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Kalani Industries Private Limited	0.76	0.89
Mrs. Padma Kalani	0.46	0.22
Herbal Dream Ayurveda Creations Private Limited	1.90	1.90
Indore Land & Finance Private Limited	0.41	0.41
Namita Kalani	0.63	-
<b>Total</b>	<b>4.16</b>	<b>3.42</b>

<b>(v) Reimbursement of Expenses</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	0.14	-
Namita Kalani	0.10	-
Indore Land & Finance Private Limited	0.11	-
<b>Total</b>	<b>0.35</b>	<b>-</b>
<b>(vi) Salaries, wages, bonus and other allowances</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Mr. Kartikeya Kalani	11.01	12.00
Mr. Ramesh Chand Sharma	1.92	1.88
Mrs. Rajkumari Sharma	1.81	1.76
Mr. Rishabh Jain	1.30	1.28
Mr. Rahul Pandey	0.31	0.31
<b>Total</b>	<b>16.35</b>	<b>17.23</b>
<b>(vii) Sitting Fees</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Ms. Alka Sagar	0.27	0.20
Mr. Anirudh Sonpal	0.22	0.25
Mr. Dharmendra Pawar	0.27	0.26
<b>Total</b>	<b>0.76</b>	<b>0.71</b>
<b>(viii) Movement in Security Deposit - given/(repaid)</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	-	0.09
Indore Land & Finance Private Limited	0.07	0.06
<b>Total</b>	<b>0.07</b>	<b>0.15</b>
<b>(ix) Travelling Advances given/(expensed out) during the year (net)</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Mr. Saurabh Kalani	8.04	4.76
Mr. Kartikeya Kalani	11.79	10.76
<b>Total</b>	<b>19.83</b>	<b>15.52</b>

**(C) Amount due to/from related party as on:**

<b>(i) Trade Payables</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Kalani Industries Private Limited	(0.24)	2.21
Herbal Dream Ayurveda Creations Private Limited	1.04	3.66
Indore Land & Finance Private Limited	-	0.18
Mr. Manish Kalani	0.97	0.97
Mrs. Manisha Kalani	0.21	0.97
Mrs. Padma Kalani	0.06	1.26
<b>Total</b>	<b>2.04</b>	<b>8.28</b>
<b>(ii) Travelling Advances</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Mr. Saurabh Kalani	13.46	5.42
Mr. Kartikeya Kalani	(0.03)	11.82
	<b>13.43</b>	<b>17.24</b>
<b>(iii) Security Deposits given</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Herbal Dream Ayurveda Creations Private Limited	1.50	1.50
Indore Land & Finance Private Limited	0.48	0.41
	<b>1.98</b>	<b>1.91</b>

<b>(iv) Security Deposit given for equity shares pledged by third parties</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Sunrise Properties Private Limited	10.00	10.00
Pusti Trading Pvt. Ltd	10.00	10.00
Seven Star Properties Pvt. Ltd	10.00	10.00
Sanovi Trading Pvt. Ltd	10.00	10.00
Saurabh Properties Pvt. Ltd	10.00	10.00
Dumet Wire India Pvt. Ltd	10.00	10.00
	<b>60.00</b>	<b>60.00</b>
<b>(v) Other Payables</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Mr. Ramesh Chand sharma	0.24	0.27
Mr. Kartikeya Kalani	0.36	3.87
Mr. Rishabh Jain	0.07	0.23
Mr. Rahul Pandey	0.02	0.01
Mrs. Rajkumari Sharma	0.22	0.32
Mrs. Alka Sagar	0.05	-
Mr. Dharmendra Pawar	0.05	-
	<b>1.01</b>	<b>4.70</b>
<b>(vi) Trade Receivables</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Indore Treasure Town private Ltd, Madhya Pradesh	6.66	6.66
Herbal Dream Ayurveda Creations Private Limited	3.20	-
Dreamworld Digital Shoping Pvt Ltd., Indore	1.61	7.15
Wanderland Real Estate Pvt Ltd , Indore	9.83	248.08
	<b>21.30</b>	<b>261.89</b>
<b>(vii) Corporate Guarantee Given</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Wanderland Real Estates Private Limited	-	950.00
	<b>-</b>	<b>950.00</b>

**(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 2023, the Group has recorded impairment of interest receivables amounting to Rs. Nil relating to amounts owed by related parties (31 March 2022: 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.

#### 41. 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 receives 10% or more of its revenue from transactions with any single external customer, the details of which are given in table below:

External customer*	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Customer A	768.16	1,366.97
Customer B	527.79	1,360.79
Other Customers	4,689.20	6,425.22
	<b>5,985.15</b>	<b>9,152.98</b>

\* For confidentiality reasons, the name of cutomers are not disclosed herewith.

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 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
India	3,967.95	6,054.89
USA	268.61	1,694.09
Singapore	701.36	429.63
Other countries	1,047.22	974.37
	<b>5,985.15</b>	<b>9,152.98</b>

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 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
India	5,523.95	3,959.86
Outside India		-
	<b>5,523.95</b>	<b>3,959.86</b>



**42.**
**(a) Interest in Other Entities**
**Subsidiaries**

The group's subsidiaries as at 31<sup>st</sup> March 2024 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 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	
a) Flexiglobal Holding Ltd.	Cyprus	100.00%	100.00%	0.00%	0.00%	Investment Company
b) Flexiglobal (UK) Limited #	UK	100.00%	100.00%	0.00%	0.00%	Trading Company
c) Flexituff Technology International Limited	India	69.24%	100.00%	30.76%	0.00%	Trading Company
d) Flexituff SA Enterprises LLP*	India	75.00%	75.00%	25.00%	25.00%	Government Contracting
e) Flexituff Javed LLP*	India	80.00%	80.00%	20.00%	20.00%	Government Contracting
f) Flexituff Hi Tech LLP*	India	80.00%	80.00%	20.00%	20.00%	Government Contracting
g) Ujjivan Luit LLP*	India	60.64%	60.64%	39.36%	39.36%	Government Contracting
h) Flexituff Sailendra Kalita LLP*	India	80.00%	80.00%	20.00%	20.00%	Government Contracting
i) Budheswar Das Flexituff International Limited JV **	India	45.00%	45.00%	55.00%	55.00%	Government Contracting
j) Sanyug Enterprise Flexituff International Limited JV **	India	80.00%	80.00%	20.00%	20.00%	Government Contracting
k) Vishnu Construction Flexituff International Limited JV **	India	75.00%	75.00%	25.00%	25.00%	Government Contracting
l) Mayur Kartick Barooah Flexituff International Limited JV **	India	50.00%	50.00%	50.00%	50.00%	Government Contracting
m) Flexituff Sailendra Kalita JV **	India	80.00%	80.00%	20.00%	20.00%	Government Contracting
n) Flexituff Pulin Borgohain JV **	India	80.00%	80.00%	20.00%	20.00%	Government Contracting
o) Flexituff DIRD JV**	Bangladesh	NA	NA	NA	NA	Government Contracting

# indirect subsidiary through Flexiglobal holdings Ltd.

\* Limited liability partnership - ownership through capital

\*\* Association of person - ownership through control over all activities of the entity

**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 controlling interests:**

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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
<b>Parent</b>								
Flexituff Ventures International Limited								
31 <sup>st</sup> March 2024	496.25%	(1,998.10)	98.31%	(1,809.84)	100.00%	0.65	98.31%	(1,809.19)
31 <sup>st</sup> March 2023	41.18%	(285.73)	79.53%	(1,003.72)	100.00%	0.65	79.52%	(1,003.07)
<b>Subsidiaries</b>								
<b>Indian</b>								
Flexituff Technology International Limited								
31 <sup>st</sup> March 2024	-500.71%	2,016.05	0.26%	(4.75)	0.00%	0.00	0.26%	(4.75)
31 <sup>st</sup> March 2023	0.10%	(0.70)	0.04%	(0.47)	0.00%	0.00	0.04%	(0.47)
Flexituff SA Enterprises LLP								
31 <sup>st</sup> March 2024	64.28%	(258.80)	0.40%	(7.29)	0.00%	0.00	0.40%	(7.29)
31 <sup>st</sup> March 2023	36.24%	(251.51)	17.78%	(224.35)	0.00%	0.00	17.79%	(224.35)
Flexituff Javed LLP								
31 <sup>st</sup> March 2024	30.64%	(123.36)	0.81%	(14.92)	0.00%	0.00	0.81%	(14.92)
31 <sup>st</sup> March 2023	15.63%	(108.44)	0.90%	(11.36)	0.00%	0.00	0.90%	(11.36)
Flexituff Hi Tech LLP								
31 <sup>st</sup> March 2024	5.18%	(20.87)	0.20%	(3.65)	0.00%	0.00	0.20%	(3.65)
31 <sup>st</sup> March 2023	2.48%	(17.22)	0.29%	(3.63)	0.00%	0.00	0.29%	(3.63)
Ujjivan Luit LLP								
31 <sup>st</sup> March 2024	0.58%	(2.34)	0.00%	(0.04)	0.00%	0.00	0.00%	(0.04)
31 <sup>st</sup> March 2023	0.33%	(2.30)	0.00%	(0.04)	0.00%	0.00	0.00%	(0.04)
Flexituff Sailendra Kalita LLP								
31 <sup>st</sup> March 2024	1.65%	(6.66)	0.04%	(0.81)	0.00%	-	0.04%	(0.81)
31 <sup>st</sup> March 2023	0.84%	(5.85)	0.05%	(0.57)	0.00%	-	0.05%	(0.57)
Budheswar Das Flexituff International Limited JV								
31 <sup>st</sup> March 2024	0.01%	(0.06)	0.02%	(0.41)	0.00%	-	0.02%	(0.41)
31 <sup>st</sup> March 2023	-0.05%	0.34	0.03%	(0.40)	0.00%	-	0.03%	(0.40)
Sanyug Enterprise Flexituff International Limited JV								
31 <sup>st</sup> March 2024	-0.04%	0.18	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
31 <sup>st</sup> March 2023	-0.03%	0.21	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Vishnu Construction Flexituff International Limited JV								
31 <sup>st</sup> March 2024	0.27%	(1.07)	0.01%	(0.13)	0.00%	-	0.01%	(0.13)
31 <sup>st</sup> March 2023	0.14%	(0.94)	0.01%	(0.13)	0.00%	-	0.01%	(0.13)
Mayur Kartick Barooah Flexituff International Limited JV								
31 <sup>st</sup> March 2024	0.48%	(1.95)	0.01%	(0.27)	0.00%	-	0.01%	(0.27)
31 <sup>st</sup> March 2023	0.24%	(1.68)	0.02%	(0.27)	0.00%	-	0.02%	(0.27)
Sailendra Kalita JV								
31 <sup>st</sup> March 2024	2.49%	(10.03)	0.20%	(3.62)	0.00%	-	0.20%	(3.62)
31 <sup>st</sup> March 2023	0.92%	(6.40)	0.22%	(2.81)	0.00%	-	0.22%	(2.81)
Pulin Borgohain JV								
31 <sup>st</sup> March 2024	-0.76%	3.04	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
31 <sup>st</sup> March 2023	-0.44%	3.05	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
<b>Foreign subsidiaries</b>								
Flexiglobal Holding Ltd.								
31 <sup>st</sup> March 2024	-0.33%	1.33	-0.26%	4.83	0.00%	-	-0.26%	4.83
31 <sup>st</sup> March 2023	2.42%	(16.77)	1.13%	(14.27)	0.00%	-	1.13%	(14.27)
Flexiglobal (UK) Limited (Indirect subsidiary)								
31 <sup>st</sup> March 2024	-	-	-	-	-	-	-	-
31 <sup>st</sup> March 2023	-	-	-	-	-	-	-	-
<b>31<sup>st</sup> March 2024</b>	<b>100%</b>	<b>(402.64)</b>	<b>100%</b>	<b>(1,840.94)</b>	<b>100%</b>	<b>0.65</b>	<b>100%</b>	<b>(1,840.29)</b>
<b>31<sup>st</sup> March 2023</b>	<b>100%</b>	<b>(693.94)</b>	<b>100%</b>	<b>(1,262.06)</b>	<b>100%</b>	<b>0.65</b>	<b>100%</b>	<b>(1,261.41)</b>

**(b) Non Controlling Interests**

The following table summarises the financial information relating to subsidiaries that have non controlling interests

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Non current assets	624.65	0.03
Current assets	118.10	117.95
Total Liabilities	(374.95)	(209.16)
<b>Net liabilities attributable to non controlling interests</b>	<b>367.81</b>	<b>(91.18)</b>
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Profit / (loss) for the year attributable to non controlling interests	(6.27)	(65.40)
Other comprehensive income	-	-
Total comprehensive income	<b>(6.27)</b>	<b>(65.40)</b>

**43. 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<sup>st</sup> March 2024 were as follows:

Particulars	Note	Amortised Cost	Financial assets/ liabilities at fair value through		Total Carrying Value	Total Fair Value
			Profit or Loss	OCI		
<b>Assets</b>						
Investments in Equity Instruments - Unquoted	7	-	0.01	-	0.01	0.01
Non current Fixed deposits	8	4.00	-	-	4.00	4.00
Security deposit	8	52.46	-	-	52.46	52.46
Trade receivable	12	1,054.94	-	-	1,054.94	1,054.94
Loans	15	32.96	-	-	32.96	32.96
Other financial assets	16	174.47	-	-	174.47	174.47
Cash and cash equivalents	13	1,552.26	-	-	1,552.26	1,552.26
Bank balances other than cash and cash equivalent	14	94.00	-	-	94.00	94.00
<b>Liabilities</b>						
Long term Borrowings	21	169.29	-	-	169.29	169.29
Short term borrowings	23	6,460.54	-	-	6,460.54	6,460.54
Trade payables	24	1,666.14	-	-	1,666.14	1,666.14
Other financial liabilities	25	1,264.10	-	-	1,264.10	1,264.10

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March 2023 were as follows:

Particulars	Note	Amortised Cost	Financial assets/ liabilities at fair value through		Total Carrying Value	Total Fair Value
			Profit or Loss	OCI		
<b>Assets</b>						
Investments in Equity Instruments - Unquoted	7	-	0.01	-	0.01	0.01
Non current Fixed deposits	8	29.53	-	-	29.53	29.53
Security deposit	8	56.45	-	-	56.45	56.45
Trade receivable	12	1,732.14	-	-	1,732.14	1,732.14
Loans	15	48.89	-	-	48.89	48.89
Other financial assets	16	180.20	-	-	180.20	180.20
Cash and cash equivalents	13	43.85	-	-	43.85	43.85
Bank balances other than cash and cash equivalent	14	79.31	-	-	79.31	79.31
<b>Liabilities</b>						
Long term Borrowings	21	-	-	-	-	-
Short term borrowings	23	6,438.10	-	-	6,438.10	6,438.10
Trade payables	24	1,894.38	-	-	1,894.38	1,894.38
Other financial liabilities	25	872.06	-	-	872.06	872.06

#### 44. 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:

Level 3	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Investments in Equity Instruments</b>		
Unquoted equity instruments	0.01	0.01
<b>Financial assets measured at amortized cost</b>		
Non current Fixed deposits	4.00	29.53
Security deposit	52.46	56.45
Trade receivable	1,054.94	1,732.14
Loans	32.96	48.89
Other financial assets	174.47	180.20
Cash and cash equivalents	1,552.26	43.85
Other Bank balances	94.00	79.31
<b>Financial liabilities measured at amortized cost</b>		
Long term Borrowings	169.29	-
Short term borrowings	6,460.54	6,438.10
Trade payables	1,666.14	1,894.38
Other financial liabilities	1,264.10	872.06

## 45. 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/ decrease in basis points	Effect on profit before tax
<b>2024</b>		
INR in Millions	+50	(18.33)
INR in Millions	-50	18.33
<b>2023</b>		
INR in Millions	+50	(17.11)
INR in Millions	-50	17.11

#### (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

Particulars	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023		
	Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in million	
<b>Assets</b>					
Cash & cash equivalents	GBP	0.01	1.16	0.03	2.64
Trade Receivables	USD	3.89	324.29	3.43	282.22
	GBP	0.11	11.26	0.11	11.50
	EURO	0.19	17.47	0.31	27.44
	AUD	0.03	1.60	0.02	1.35
	CAD	0.30	18.21	0.41	24.86
Loans	GBP	0.01	0.70	-	-
Advance to Suppliers	USD	0.04	3.36	0.09	7.62
	EURO	-	-	-	-
	CHF	-	-	-	-
<b>Liabilities</b>					
Foreign Currency Convertible Bonds	USD	31.50	2,589.93	31.50	2,589.93
Trade Payables	USD	0.35	27.93	0.35	27.93
	EURO	0.00	0.06	0.00	0.06
	GBP	0.00	0.42	0.07	7.30
Advance From Customers	USD	0.61	42.11	0.09	6.45
Other payables	USD	0.00	0.10	0.00	0.10
	GBP	-	-	-	-

#### 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).

	5% increase in exchange rate		5% decrease in exchange rate	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Assets</b>				
Cash & cash equivalents	0.06	0.13	(0.06)	(0.13)
Trade Receivables	18.64	17.37	(18.64)	(17.37)
Loans	0.97	0.92	(0.97)	(0.92)
Advance to Suppliers	0.17	0.38	(0.17)	(0.38)
<b>Liabilities</b>				
Foreign Currency Convertible Bonds	(131.31)	(129.50)	131.31	129.50
Trade Payables	(1.40)	(1.40)	1.40	1.40
Advance From Customers	(2.11)	(0.37)	2.11	0.37
Other payables	(0.00)	(0.00)	0.00	0.00

**(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.

<b>The ageing analysis for accounts receivables has been considered from the date the invoice falls due:</b>		
	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Not due	96.67	393.80
0-3 months	-	-
3-6 months	259.44	98.23
6 months to 12 months	108.16	100.83
beyond 12 months	590.67	1,139.28
	<b>1,054.94</b>	<b>1,732.14</b>

<b>The following table summarizes the change in the loss allowances estimated using life time expected credit loss method:</b>		
	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Opening provision	453.82	265.64
Add: additional provision made	162.94	188.18
Less: Provision utilised during the year	-	-
<b>Closing provisions</b>	<b>616.76</b>	<b>453.82</b>

**(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.

<b>The table below summarizes the maturity profile of the Groups' financial liabilities:</b>						
<b>31<sup>st</sup> March 2024</b>	<b>Payable on demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Long-term borrowings	169.29	-	-	-	-	169.29
Short term borrowings	6,460.54	-	-	-	-	6,460.54
Trade payables	-	1,666.14	-	-	-	1,666.14
Other financial liability	-	1,264.10	-	-	-	1,264.10
	<b>6,629.83</b>	<b>2,930.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,560.07</b>
<b>31<sup>st</sup> March 2023</b>	<b>Payable on demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Long-term borrowings	-	-	-	-	-	-
Short term borrowings	6,438.10	-	-	-	-	6,438.10
Trade payables	-	1,894.38	-	-	-	1,894.38
Other financial liability	615.97	256.09	-	-	-	872.06
	<b>7,054.07</b>	<b>2,150.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,204.54</b>

#### 46. 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 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 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Total equity	(i)	[343.12]	[602.79]
Total debt	(ii)	6,629.83	6,438.10
Overall financing	(iii) = (i) + (ii)	6,286.71	5,835.31
Gearing ratio	(ii)/ (iii)	1.05	1.10

No changes were made in the objectives, policies or processes for managing capital during the years ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

#### 47. CORPORATE SOCIAL RESPONSIBILITY

	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
Gross amount required to be spent :		-		-
Amount spent during the year	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	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 Group for future use	-	-	-	-
- not under the control of Group for future use	-	-	-	-
ii. On purpose other than (i) above	-	-	-	-
	-	-	-	-
Less: Amount Capitalized as CSR Assets	-	-	-	-
	-	-	-	-

**48.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Group will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

**49.** As on March 31, 2024, the Holding Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs 359.42 millions and Rs. 273.96 millions respectively to IFCI LTD (The interest default cited here is net of TDS (as applicable). Loan of IFCI Ltd has been assigned to Phoenix ARC Private Limited on 19<sup>th</sup> April, 2024 vide confirmation letter dated 22<sup>nd</sup> April, 2024.

As on March 31, 2024, the Holding Company was in default in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs 1,875.91 millions and Rs 885.33 millions respectively and also was in default in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs 750.37 millions. Interest accrued and payable to IFC amounts to Rs. 286.37 millions. The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 54 below.

As per correspondence with TPG Growth II SF Pte. Ltd. dated 15 February 2024, the Holding Company has entered



into a one time settlement of the FCCBs and waiver of interest. Settlement amount was payable on or before 31 March 2024. Time line for payment further extended uptill 30<sup>th</sup> April, 2024 and the Holding Company has paid settlement amount on 30<sup>th</sup> April, 2024.

IFC has also agreed for a one time settlement of the FCCB and waiver of interest, Settlement amount was payable by 15<sup>th</sup> February 2024. This time line further extended uptill 30<sup>th</sup> April, 2024. The Comapny has paid settlement amount on 29<sup>th</sup> April, 2024. As per the correspondence with IFC, the Holding Company has received no dues certificate dated 8 May 2024.

Total gain to the Holding Company on one time settlement of principal amount of FCCBs is USD 21.42 Million. The Holding Company has devolved Letter of Credit issued by banks and such devolvement has resulted in over utilisation of cash credit facilities by Rs 219.69 millions (including interest) as on March 31, 2024, based on drawing power sanctioned by banks in the month of February 2024.

- 50.** The Holding Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation (“lenders”) for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30<sup>th</sup> April, 2024 and 29<sup>th</sup> April, 2024 respectively (Refer note 2 above). The Holding Company has not accrued interest amounting to Rs 238.75 millions, Rs 272.62 millions, Rs 203.07 millions, Rs. 171.44 millions and Rs. 183.29 millions for the year ended March 31, 2024, for the year ended March 31, 2023, for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to Rs 1,069.17 millions. This amount of Rs 1,069.17 millions has been waived by FCCB’s holders.
- 51.** The Holding Company has incurred net losses of Rs. 1,850.88 millions during the year ended March 31, 2024 and has a net current liability position of Rs. 7,416.39 millions as on that date. Further, in respect of certain loan arrangements for which the amounts have fallen due as mentioned in Note 52 above; the Holding Company has entered into settlement agreements with its lenders for restructuring of loans through an Inter Creditor Agreement. Consequently, the Holding Company’s ability to meet its obligations is dependent on restructuring of loans. The Holding Company will also require further financing to sustain its operations in the normal course of business for which the Holding Company is also contemplating monetisation of certain assets. These events along with other conditions cast significant doubt on the ability of the Holding Company to continue as a going concern. The Holding Company is confident that such cash flows would enable it to service its debt and discharge its obligations. Accordingly, these results of the Holding Company have been prepared on a going concern basis.

**52. Summary of adjustments/regrouping in previous year figures is as follows:**

Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year/period figures.

Particulars	Previous Year Classification	Reclassification	Current Year Classification	Remarks
Advance to Staff	-	1.15	1.15	Amount of Employee Related Payables have been reclassified to Advance to Staff
Employee Related Payables	1.15	1.15	-	

- 53.** Tuff Subsidy and Government Subsidy receivable by the Holding Company Rs 69.03 Millions which pertains to the period prior to financial year 2016-17. The Holding Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Holding Company is confident that the said government subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.
- 54.** The Holding Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29<sup>th</sup> January 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. The Holding Company has Claims amounting to Rs 103.52 millions of export incentive receivable. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon’ble High Court, New Delhi. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon’ble High Court, New Delhi. The Hon’ble High Court has issued order in favour of the association. (IFIBCA). The Holding Company has applied offline to DGFT for MEIS script.
- 55.** The Holding Company had executed Business Transfer Agreement (BTA) with company, Flexituff Technology International Limited on 28 August 2023 for sale of Flexible Intermediate Bulk Container (FIBC) business of

Pithampur units of the Holding Company. The sale is completed on 30 April 2024 via slump sale for a lump sum consideration of Rs. 319.00 Crores (Rupees Three Hundred Nineteen Crores only) on the terms and conditions outlined in the BTA.

- 56.** (a) The Holding Company had executed Business Transfer Agreement (BTA) with company, Flexituff Technology International Limited on 28 August 2023 for sale of Flexible Intermediate Bulk Container (FIBC) business of Pithampur units of the Holding Company. The sale is completed on 30 April 2024 via slump sale for a lump sum consideration of Rs. 319.00 Crores (Rupees Three Hundred Nineteen Crores only) on the terms and conditions outlined in the BTA. The Holding Company is in process of transferring assets and liabilities of FIBC business of Pithampur units via slump sale at their book values as shown below:

**(b) Assets and liabilities held for slump sale**

As at 31 March 2024, following assets and liabilities included in total assets and liabilities are held for sale at their book values via slump sale w.e.f 30 April 2024:

Particulars	Rupees in millions
Property, plant and equipment	744.98
Other Intangible assets	0.42
Right to use assets	83.17
Other financial assets	28.34
Inventories	448.52
Trade receivables	535.17
Cash and cash equivalents	2.48
Other current financial assets	8.29
Other current assets	101.15
<b>Assets held for slump sale</b>	<b>1,952.52</b>
Lease liabilities	90.12
Provisions	44.36
Borrowings	72.52
Trade payables	1086.71
Other financial liabilities	177.72
Other current liabilities	274.41
<b>Liabilities held for slump sale</b>	<b>1745.84</b>

Details of total income, total expenses and profit before tax of FIBC business of Pithampur units for the year ended 31 March 2024 is as follows:

Particulars	Rupees in millions
	Year ended 31 March 2024
Total Income	4,005.37
Total Expenses	4,505.85
Profit/ (Loss) before tax	(500.48)

- 57.** The Group has not granted loans and advances in the nature of loans to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.
- 58.** The Group does not have any Benami property, where any proceeding has been initiated or pending against the Holding Company for holding any Benami property.
- 59.** The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts and there were no material discrepancies noted. However, in the view of restructuring proposal and holding-on-operations as requested to bankers, the Group could not make available

such quarterly returns or statements to the Statutory Auditors.

- 60.** The Holding Company has defaulted in meeting its payment / repayment obligations of interest and principle respectively as mentioned in Note 21(d) and 23(c). However, the Holding Company has not been declared wilful defaulter by any Bank or Financial Institutions or other lender.
- 61.** The Holding Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 62.** The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 63.** Utilisation of borrowed funds and share premium:  
The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 64.** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts.
- 65.** The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 66.** The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 67.** The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were taken.
- 68.** The financials are presented in Rs Million and decimal thereof except for the per share information or as otherwise stated.
- 69.** 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 **Mahesh C. Solanki & Co.**  
Chartered Accountants  
Firm Registration No.: 006228C

**Mahesh Solanki**  
Partner  
Membership No.: 074991  
Place: Indore  
Date: May 30, 2024

For and on behalf of the Board of Directors of  
**Flexituff Ventures International Limited**  
CIN: L25202MP1993PLC034616

**Saurabh Kalani**  
Whole time director  
DIN: 00699380  
Place: Pithampur  
Date: May 30, 2024

**Rahul Chouhan**  
Whole time director  
DIN: 03307553  
Place: Pithampur  
Date: May 30, 2024

**Rishabh Kumar Jain**  
Company Secretary  
Membership No: F7271  
Place: Pithampur  
Date: May 30, 2024

**Ramesh Chand Sharma**  
Chief Financial Officer  
Place: Pithampur  
Date: May 30, 2024

## NOTICE

### NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 31<sup>ST</sup> ANNUAL GENERAL MEETING OF FLEXITUFF VENTURES INTERNATIONAL LIMITED WILL BE HELD ON MONDAY 30<sup>TH</sup> SEPTEMBER, 2024, AT 4:00 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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 together with the report of Auditors thereon.
3. To appoint a director in place of Mr. Saurabh Kalani (DIN: 00699382), Executive Director, who retires by rotation and being eligible, has offered himself for re-appointment.

#### SPECIAL BUSINESS

4. **APPOINTMENT OF MR. KAUSHAL KISHORE VIJAYVERGIYA (DIN: 01941958) AS 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. Kaushal Kishore Vijayvergiya (DIN: 01941958) who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> August, 2024 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. Kaushal Kishore Vijayvergiya (DIN: 01941958), 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 36<sup>th</sup> Annual General Meeting of the Company, be and is hereby approved."

5. **RE-APPOINTMENT OF MR. RAHUL CHOUHAN AS WHOLETIME DIRECTOR FOR FURTHER PERIOD OF 3 YEARS**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 203, read with the Schedule V and (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for /the time being in force) and all other applicable provisions of the Companies Act, 2013 and as per Articles of Association of the Company, subject to consent / no objection from secured lenders of the Company, if required, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rahul Chouhan (DIN: 03307553) as Whole-Time Director for 3 years with effect from 12<sup>th</sup> November, 2024 i.e. (12<sup>th</sup> November, 2024 – 11<sup>th</sup> November, 2027) on the terms and conditions as detailed in the explanatory statement attached thereto, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said

re-appointment from time to time as may be mutually agreed between the Board of Directors and Mr. Rahul Chouhan;

**RESOLVED FURTHER THAT** in the absence of profits or inadequacy of profits in any financial year during the currency of tenure of Mr. Rahul Chouhan (DIN: 03307553), the payment of Salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** Mr. Rahul Chouhan (DIN: 03307553) shall be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary for obtaining necessary approvals, if required any, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

**6. SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for shifting the Registered Office of the Company from C 41-50, SEZ, Sector-3, industrial Area, Pithampur, Dist. Dhar (M.P.) to 11 Tukoganj Main Road, Indore (M.P.);

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board which may have been constituted or hereinafter constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorized to take such steps as may be necessary and generally to do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

By Order of the Board of Directors  
**Flexituff Ventures International Limited**

Place: Pithampur  
Date: 14/08/2024

**Rishabh Kumar Jain**  
Company Secretary

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”), vide its general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021 and 02/2022 dated May 5, 2022 and 10/2022 dt. 28<sup>th</sup> December, 2022 (collectively “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 5<sup>th</sup> January, 2023 (collectively “SEBI Circulars”), permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue, subject to compliance of various conditions mentioned therein. The registered office of the Company shall be deemed to be the venue for the AGM.
2. 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.
3. Corporate Members whose Authorized 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 authorizing their representative to attend and vote on their behalf at the Meeting and through Remote E-voting.
4. 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 29, 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 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.

5. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
6. 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.
7. 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.
8. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
9. The Company has transferred all unpaid/unclaimed equity dividends and underlying equity shares for the financial year 2014-15 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
10. During the year under review, no unpaid dividend has been transferred to IEPF.
11. 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.
12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
13. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement and applicable statutory registers 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.
14. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
15. 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 facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
16. 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.
17. 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 Central Depository Services India Limited (CDSL) for facilitating voting through electronic means, as the authorized 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 CSDL.
18. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.flexituff.com](http://www.flexituff.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020



and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on Friday 27<sup>th</sup> September, 2024 at 10:00 A.M. and ends on Sunday 29<sup>th</sup> September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by CDSL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September, 2024.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Friday 27<sup>th</sup> September, 2024 at 10:00 A.M. and ends on Sunday 29<sup>th</sup> September, 2024 at 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p>

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> the system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP). You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.



- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat. PAN Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

  - Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

  - If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@flexituff.com](mailto:cs@flexituff.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 2 (two) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders - please provide necessary details like 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 Company/RTA email id.
2. For Demat shareholders, please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

By Order of the Board of Directors  
**Flexituff Ventures International Limited**

Place: Pithampur  
Date: 14/08/2024

**Rishabh Kumar Jain**  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("ACT")****Item 4**

The Board had, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), appointed Mr. Kaushal Kishore Vijayvergiya as an Additional Director of the Company with effect from 14<sup>th</sup> August, 2024. In terms of Section 161(1) of the Act, Mr. Kaushal Kishore Vijayvergiya 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. Kaushal Kishore Vijayvergiya 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 36<sup>th</sup> Annual General Meeting of the Company, in accordance with the provisions of Section 149 read with Schedule IV of the Act. Mr. Kaushal Kishore Vijayvergiya 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. Kaushal Kishore Vijayvergiya is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. Kaushal Kishore Vijayvergiya 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. Kaushal Kishore Vijayvergiya as an Independent Director.

A copy of the draft letter for appointment of Mr. Kaushal Kishore Vijayvergiya 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. Kaushal Kishore Vijayvergiya as an Independent Director for a term of 5 (five) consecutive years upto the conclusion of 36<sup>th</sup> 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. 4 of the accompanying Notice for approval of the Members this item being special business, is unavoidable in nature. Except Mr. Kaushal Kishore Vijayvergiya 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. 4 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 5**

In the light of the earlier resolution passed, the Board of Directors of the Company ("the Board") with respect to the approval of members in the Annual General Meeting of Company held on 29<sup>th</sup> September, 2022, authorized remuneration and allowance of Mr. Rahul Chouhan (DIN: 03307553) designated as Whole Time Director of the Company w.e.f. 12<sup>th</sup> November, 2021 for the duration of three years from the effective date, i.e. (12<sup>th</sup> November, 2021 – 11<sup>th</sup> November, 2024) provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

Now Company proposed to revise the remuneration and term for the duration of three years from the effective date i.e. (12<sup>th</sup> November, 2024 – 12<sup>th</sup> November, 2027) provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

The company is further trying to find a complete solution for the present defaults through replacement of debt or equity option. 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 which prescribes that in absence of profits or inadequate profits, the remuneration can be paid within the limits arrived at in accordance with the requirements of the said Section II.

Reference to the provision of section 196, 197 and 203 of the Companies act, 2013, read with schedule V to the companies

act 2013 along with the Ministry of Corporate Affairs (MCA) through its notification dated 12 September 2018 notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013, provides for payment of managerial remuneration by Companies, requires approval / No objection of lenders, since Company has secured debt defaults and members approval for payment of managerial remuneration to the managerial person for period of not exceeding 3 years by way of special resolution. Hence the Board recommends the resolution for member approval by way of special resolution, provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013:

Gross Salary Rs. 39,006/- (Rupees Eighty One Thousand Ninety Five Only) per month with an authority to Board/ Committee to decide from time to time to increase the remuneration upto Rs. 2,00,000/- (Rupees Two Lakhs Only) per month based on increment policy of the Company in force;

• **Perquisites and benefits:**

The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Remuneration Committee and Board of Director as they may in their discretion, deem fit, within the maximum amount payable to Whole Time Director in accordance with Schedule V to the Companies Act, 2013 and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and or the rules and regulations made there under from time to time in future and/or such guidelines and clarifications, as may be announced from time to time. The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution.

Disclosure as required under Schedule V of the Companies Act, 2013 is set out as Annexure to the Notice.

Except Mr. Rahul Chouhan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the said resolution.

**Item 6**

Presently, the Company's Registered Office is located at C 41-50, Sector No. III, SEZ Industrial Area, Pithampur 454775, Dist. Dhar (M.P.). The Board of Directors of your Company at their meeting held on 14<sup>th</sup> August, 2024 has decided to shift the Registered Office of the Company from the 'C 41-50, Sector No. III, SEZ Industrial Area, Pithampur 454775, Dist. Dhar (M.P.); to '11 Tukoganj Main Road, Indore 452001 (M.P.)' to carry on the business of the Company more economically and efficiently and with better operational convenience. After completion of slump sale SEZ unit of the Company taken over by Flexituff Technology International Limited and Majority of banks are based at Indore and therefore shifting of Registered Office to Indore shall facilitate better coordination and interaction with shareholders, FIIs, Mutual Funds, Financial Investors and leading to improve investors' relationship.

As per provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, shifting of Registered Office of the Company outside the local limits but within the same State requires approval of the Members by way of Special Resolution through Postal Ballot. Though Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 requires the Company to pass the resolution through Postal Ballot for shifting of registered office outside the local limits of any city, town or village, but as per the Companies (Amendment) Act, 2017, any item of business required to be transacted at a general meeting by a Company which is required to provide the facility to members to vote by electronic means. As the Company has more than 1,000 shareholders in the Company, the Company is providing facility to the members to vote electronically at the Extraordinary General Meeting. Therefore the Board recommends the Resolution as set out in Item No. 6 for approval of the Members as Special Resolution.

None of the Directors, Key Managerial Personnels or their respective relatives is in any way concerned or interested in the resolution mentioned as Item No. 6 of the Notice.

## 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	Mr. Saurabh Kalani	Mr. Kaushal Kishore Vijayvergiya	Mr. Rahul Chouhan
DIN	00699380	01941958	03307553
Date of Birth	23 <sup>rd</sup> September, 1962	26 <sup>th</sup> June, 1959	11 <sup>th</sup> June, 1986
Age	62 Years	65 Years	38 Years
Appointment/ Re-appointment	Re-appointment	Appointment	Re-appointment
Qualifications	B.Com	CA, CS, CWA	Commerce Graduate
Expertise in specific functional area	Mr. Saurabh Kalani has more than three decades of experience in the field of manufacturing, import, export, market development, strategic planning, production planning, financial planning etc. relating to Raffia Industry. He helped the Company grow into a multi-dimensional company of present structure leading a host of business and a team of 7000 strong people in India and abroad.	He has more than 40 years experience in the corporate sector in the field of corporate finance, accounting etc. He has worked with various renowned corporates like Sandoz (India) Ltd., FerroAlloys Corporation Ltd., Modern Syntex (I) Ltd., Jaipur Metal & Electrical Limited. He has also served as Managing Director of Sashak Noble Metals Ltd., Executive Director of Indore Wire Co. Ltd., Project Director of Sayaji Hotels Ltd. for its project at Pune and CEO of Sanghi Brothers (Indore) Pvt. Ltd.	Mr. Rahul Chouhan is M.Com and CS Executive pass out. He has been associated with the Company since 2010. He has experience of working in the field of Accountancy and Management for more than a decade. He has experience in various fields such as Accounting, Book Keeping, Audit, Banking, Cash Management and finalization of Balance Sheet etc.
Date of first Appointment on the Board of the Company	30 <sup>th</sup> May, 2012	30 <sup>th</sup> May 2012 and resigned. After that on 14 <sup>th</sup> August, 2024 appointed as an Additional Director (Category-Independent)	12 <sup>th</sup> November, 2021
Shareholding in the Company	Nil	Nil	Nil
Terms and conditions of appointment/ re-appointment	Terms and Conditions of appointment / re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company website i.e. <a href="http://www.flexituff.com">www.flexituff.com</a>		
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	The Plastic Export Promotion Council First Gen Trusteeship Services Private Limited Fablewood Realcon LLP	Nil	Nil
Membership / Chairmanship in Committees of other companies as on date	Nil	Nil	Nil
Relationships between Directors or and other Key Managerial Personnel inter-se	Nil	Nil	Nil

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# TECHNICAL TEXTILES AND MORE

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CONTINENTS

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COUNTRIES



# GROWTH

WOVEN WITH VALUES

# FlexiTuff

V E N T U R E S

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