FlexiTuff
VENTURES



GROWTH, woven with VALUES

ANNUAL REPORT 2018-2019

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

CORPORATE INFORMATION

(As on 24th May, 2019)

BOARD OF DIRECTORS

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

Ms. Alka Rajesh Sagar
Woman Non Executive Director

Mr. Anand Khandelwal
Whole-Time Director

Mr. Ashish Jamidar
Whole-Time Director

Mr. Bhuwan Navneet Modi
Non Executive Independent Director

Mr. Saurabh Kalani
Whole-Time Director

BANKERS/LENDERS

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

JOINT STATUTORY AUDITORS

Kailash Chand Jain & Co.,
Chartered Accountants, Indore (M.P.)

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

COMMITTEES OF DIRECTORS

Audit Committee
Mr. Anirudh Chittaranjan Sonpal (Chairman)
Mr. Bhuwan Navneet Modi
Mr. Saurabh Kalani

Shareholders' Relationship Committee
Mr. Bhuwan Navneet Modi (Chairman)
Ms. Alka Rajesh Sagar
Mr. Anirudh Chittaranjan Sonpal

Nomination and Remuneration Committee
Mr. Bhuwan Navneet Modi (Chairman)
Ms. Alka Rajesh Sagar
Mr. Anirudh Chittaranjan Sonpal

CSR Committee
Mr. Saurabh Kalani (Chairman)
Ms. Alka Rajesh Sagar
Mr. Bhuwan Navneet Modi

Management Committee
Mr. Saurabh Kalani (Chairman)
Mr. Anand Khandelwal
Mr. Ashish Jamidar

REGISTRAR AND SHARE TRANSFER AGENT

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

REGISTERED OFFICE

C-41-50, SEZ, Sector -III,
Pithampur- 454775, Dist. Dhar (M.P.)
Tel. +91 7292 420200, Fax: 07292-401684
Email: investors@flexituff.com
Website: www.flexituff.com

OTHER KEY MANAGERIAL PERSONNEL

Mr. Ajay Mundra-Chief Financial Officer
Ms. Khushboo Kothari-Company Secretary

MANUFACTURING FACILITIES

SEZ Unit
C-41 – 50, Special Economic Zone, Sector – III,
Industrial Area, Pithampur
Dist. Dhar – 454 775,
Madhya Pradesh

DTA Unit
94, Industrial Area, Sector – I,
Pithampur
Dist. Dhar – 454 775
Madhya Pradesh

Kashipur Unit
Khasra No. 672-728,
Village – Mahuakhera,
Aliganj Road, Kashipur,
Dist. Udhamsingh Nagar – 244 713, Uttarakhand

Barwaha Unit
58/1, Jaimalpura, Maheshwar Road, Barwaha
Dist. Khargone – 451 115
Madhya Pradesh

CHAIRMAN'S ADDRESS TO STAKEHOLDERS



Dear Stakeholders,

It is indeed my privilege to present the 26th Annual Report of your Company for the Financial Year ended 31st March, 2019. Growth always walks through jounce roads and the same on facet with Flexituff. The financial year 2018-19 was scrimping for your Company, yet full of opportunities to align operations for growth.

While the Flexible Intermediate Bulk Containers (FIBC) division continued to operate at healthy margins, Geotextiles division of the Company proliferated during this financial year. However, despite the high margins in FIBC business, your Company witnessed pressure of sluggish global demand. Your Company also ventured into new business being developed under the technical textile division, the latest being water cleaning through its de-watering tubes and a unique process technology of flocculation of contamination.

Despite the squeaks, issues relating to delay in receivables, high fluctuations in the raw material prices, higher interest burden and transaction costs and stronger Indian Rupee posed a challenge in achieving higher levels of competitiveness and growth.

The year 2018 witnessed huge financial scandals being exposed, forcing Reserve Bank of India to tighten the banking norms as well as monetary policy in the country. Banks as well as financial institutions were asked to follow stringently 'Prompt Corrective Action Framework' i.e. PCA framework. The said framework impacted the Indian market as well as industry imposing liquidity crunches.

Further, the economic disruptions brought about by the fall in oil prices, slow down, weak foreign currency, lead to decline in consumption of raw material and lesser realisation, which highly impacted the Export Oriented industries settling back on break even status.

Among other political and regulatory changes and stringencies, the Assembly & the Indian general elections lead to deferment of several projects as well as delay in receivables from the government in domestic market, which was beyond control.

Notwithstanding the 'ebbs and flows' seeing, the jounces faced & working in a rugged environment, the Company's performance was satisfactory. Total revenue on a standalone basis for the FY 2018-19 stands at Rs. 11,748 Millions.

Our Global scale of operation, niche product portfolio with high quality certifications and state of the art manufacturing facilities supplemented the Company to sustain and suffice on Darwin's theory i.e. Survival of the Fittest".

I am happy to inform that this year Flexituff's Geo technology earned its name in Kumbh. Further, snowball effect has been felt to expand geosynthetics business as we have seen a nascent development and recognition in it, widening the scope of development coupled with acceptance of our new technology by the government.

Headway, your Company will continue to focus on operational efficiencies and cost reduction. Your Company has already initiated several steps in this direction by successfully implementing 'Principle of Theory of Constraints'- a production methodology that reduce operating expenses, reduce inventory, and increase throughput. Your Company is also working towards solving debt overhang problems by switching over to financing through low cost borrowing schemes & capitalisation of the Company.

Our core strength is in the manufacture of Flexible Intermediate Bulk Containers (FIBC), We are standing ahead as **India's largest FIBC manufacturer and the second largest player globally,** our products find a place in over 60 countries spread across five continents. Apart from FIBC, Flexituff is doing multiple businesses of Geo-textile, compounding, injection-moulding, water-cleaning through its dewatering tubes, flocculation of contamination etc., contributing to growth segment of the business. It is also proposed to venture into design and solution for various infrastructure problems. Similar efforts will be carried out in upcoming years to raise the bar on performance in other Segments, especially Goe-textile. We are continually making efforts to augment our capabilities, markets and product offerings. Aligned to this approach, during the review period, your Company successfully diversified to new geographies as well as increased the scope of applications of our product offerings thus expanding our addressable foreign as well as domestic market. Leveraging our international track record, we remain confident of unearthing attractive growth opportunities in the domestic circuits as well. We expect the geo-textile business to be a significant contributor to our revenue in the next two-three years. Backed by our capabilities, we are bidding aggressively for projects in the geo-textiles segment to ensure that we create a strong order book that provides robust revenue visibility for the coming years.

As an epilogue, Winning isn't getting ahead of others. It's getting ahead of yourself. Life is continuously being hungry. The meaning of life is not simply to exist, to survive, but to move ahead, to go up, to achieve, to conquer the same we perform business. As we move ahead, we are grateful to all our shareholders, partners, bankers, lenders, vendors, creditors and customers for their continued support for their faith and commitment. We aim to earn your continued trust every day. And finally, sincere thanks to the Company's employees, whose proficiency and professionalism makes us the best in the industry.

With Regards,

Anirudh Chittaranjan Sonpal

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

Global Economy

At the beginning of 2018, the global economy was firing on all cylinders, but it lost speed during the year. The world's second largest economy, China, reported a 6.7% growth for June quarter. The global economy continues to expand, but third quarter witnessed a softening momentum in the growth. According to International Monetary Fund (IMF), this fiscal year has been 'A weakening global expansion' due to weaker performance in some economies, notably Europe and Asia. Growth has weakened, trade tensions remain high, several developing economies have experienced financial stress, and risks to the outlook have increased.

The second half of 2018 reflects softer momentum due to factors like introduction of new automobile fuel emission standards in Germany, sovereign and financial risks have weighed on domestic demand in Italy, weakening financial market sentiment as well as a contraction in Turkey, "no-deal" withdrawal of the United Kingdom from the European Union and a greater than envisaged slow-down in China.

Moderating activity and heightened risks are clouding global economic prospects. International trade and investment have softened, trade tensions remain elevated and some large emerging market and developing economies (EMDEs) have experienced substantial financial market pressures. Against this less favorable backdrop, EMDE growth has lost momentum, with a weaker-than-expected recovery in commodity exporters accompanied by a deceleration in commodity importers.

While the December's announcement that tariff hikes have been put on hold for 90 days in the US-China trade dispute is welcome, the possibility of tensions resurfacing in the spring casts a shadow over global economic prospects.

High-frequency data signal subdued momentum in the fourth quarter. Outside the United States, industrial production has decelerated, particularly of capital goods. Global trade growth has slowed to well below 2017 averages. The true underlying impetus could be even weaker than the data indicate, as the headline numbers may have been lifted by import front-loading ahead of tariff hikes, as well as by an uptick in tech exports with the launch of new products. Consistent with this interpretation, purchasing managers' indices, notably in the category of new orders, point to less buoyant expectations of future activity.

Commodities and inflation Crude oil prices have been volatile since August, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. As of early January, crude oil prices stood at around $55 a barrel, and markets expected prices to remain broadly at that level over the next 4-5 years. Prices of metals and agricultural commodities have softened slightly since August, in part due to subdued demand from China. Consumer price inflation has generally remained contained in recent months in advanced economies but has inched up in the United States, where above-trend growth continues. Among emerging market economies, inflationary pressures are easing with the drop in oil prices. For some, this easing has been partially offset by the passthrough of currency depreciations to domestic prices.

Financial conditions in emerging markets have tightened modestly since the fall, with notable differentiation based on country-specific factors. Emerging market equity indices have sold off over this period, in a context of rising trade tensions and higher risk aversion. Concerns about inflationary effects from earlier oil price increases and, in some cases, closing output gaps or pass through from currency depreciation have led central banks in many emerging market economies (Chile, Indonesia, Mexico, Philippines, Russia, South Africa, Thailand) to raise policy rates since the fall. By contrast, central banks in China and India maintained policy rates on hold and acted to ease domestic funding conditions (by lowering reserve requirements for banks and providing liquidity to non-bank financial companies, respectively). As of early January, with some notable exceptions (e.g., Mexico, Pakistan), emerging market governments generally face lower domestic-currency long-term yields than in August-September. Foreign-currency sovereign credit spreads have edged up for most countries and risen substantially for some frontier markets.

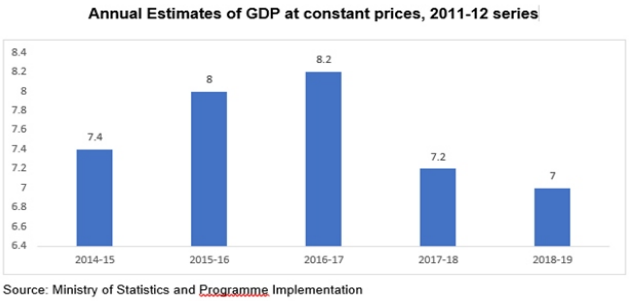
Capital flows and exchange rates. With investors generally lowering exposure to riskier assets, emerging market economies experienced net capital outflows in the third quarter of 2018. As of early January, the US dollar remains broadly unchanged in real effective terms relative to September, the euro has weakened by about 2 percent amid slower growth and concerns about Italy, and the pound has depreciated about 2 percent as Brexit-related uncertainty increased. In contrast, the Japanese yen has appreciated by about 3 percent, on higher risk aversion. Several emerging market currencies-including the Turkish lira, the Argentine peso, the Brazilian real, the South African rand, the Indian rupee, and the Indonesian rupiah-have staged recoveries from their 2018 valuation lows last August-September.

Indian Economy

India's economy grew at an impressive 8.2% in the 1st quarter of 2018-19 on the back of a strong performance and a healthy base. Q2 growth slows to 7.1%, but India still leads world. The high growth in first quarter was seen as an aberration because of the pronounced base effect of low growth in the year earlier.

The Indian economy retained its tag of the fastest growing major economy in the world in FY 2018-19 for a second year in a row as it continued its climb on an upward growth path. The economy registered a growth rate of 7.2% during the 2018-19 period as per advance estimates of the Central Statistical Office.

The economy is projected to grow at the rate of 7.5% during 2019, expanding further to 7.7% during 2020 as per the International Monetary Fund (IMF) World Economic Outlook January update. The growth rates for the economy are pegged much higher than the global growth rates for the same years, at 3.5% and 3.6% for 2019 and 2020 respectively, thus placing the economy on a solid footing even amidst growing global uncertainties.



Source: Ministry of Statistics and Programme Implementation

The Indian economy witnessed robust industrial growth during FY 2018-19 and the momentum is expected to continue next year as well. The Index of Industrial Production (IIP) with base 2011-12 for the April-January period for 2018-19 registered a 4.4% increase over the corresponding period for the previous year.

Eleven out of twenty-three industry-groups (as per 2-digit NIC) exhibited positive growth during January 2019 over the corresponding month in the previous year, with the industry groups "Manufacture of Food Products" and "Manufacture of Wearing Apparel" recording highest growth rates at 17% and 16.4% respectively. Among other positives, industries such as capital goods and infrastructure/construction goods expanded significantly. Healthy growth in core sectors such as steel and cement could strengthen further.

Growth in the agriculture sector is expected to moderate as the Gross Value Added (GVA) at basic prices for the sector is estimated at 2.7% for 2018-19 on a high base of 5% in 2017-18. The Indian Meteorological Department has indicated that monsoons will not be abnormal in India during this year and this would assist in growth of the farming sector.

The manufacturing sector is expected to post robust growth with the sector's GVA growth estimated at 8.1% in 2018-19 as compared to 5.9% during 2017-18. Growth in the sectors including trade, hotel, transport, communication and services related to broadcasting, which moderated during the first half of the year is expected to pick up on account of improved domestic demand conditions. GVA growth for these sectors is estimated to grow by 7.3% in 2018-19 in contrast to 6.2% in 2017-18. Construction sector is expected to grow by 8.9% during 2018-19 as compared to 5.6% during 2017-18.

The consumer durables market is expected to pick up supported by rising disposable incomes, greater electrification and FDI investments. The FMCG sector continues to perform well and is expected to grow further, fuelled by rising consumption and investment patterns. Retail businesses also continue to grow and present more growth opportunities as new retail outlets and malls open up.

On the trade front, Indian exports grew by 3.74% over January 2018 to reach US$ 26.36 billion in January 2019. Drugs and pharmaceuticals, organic and inorganic chemicals and readymade garments were the top performing commodity groups with growth rates of 15.2 %, 15.56% and 9.33% respectively.

Overall trade including services trade for India is estimated at around US$ 440 billion for April-January 2019, exhibiting a positive growth rate of 9.07% over the corresponding period during last year.

India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease. Export growth is expected to gain further pace as global trade tensions ease.

INDUSTRY OVERVIEW

As per the estimates of India Brand Equity Foundation (IBEF), India's overall textile exports during FY 2017-18 stood at US$ 39.2 billion in FY18 and is expected to increase to US$ 82.00 billion by 2021 from US$ 31.65 billion in FY19.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

COMPANY OVERVIEW

Flexituff Ventures International Limited ("FVIL") is a multi-product, multi-market and multi-location enterprise. Having evolved from a leading global FIBC major to a foremost Indian Geosynthetics solution provider, Flexituff - through its niche products also serves the domain needs of retail, agro and infrastructure sectors. With four 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 (Biaxially Oriented Polypropylene) woven bags, and NPC drippers. Economies of scale, the edge of attitude, 100% integration under one roof, global foot-prints for more than 25 years of being in the industry are the key pointers for excellent reputation in domestic as well as international market.

BUSINESS OVERVIEW

Your Company faced distress during the financial year 2018-19. Though the FIBC business continued to operate at healthy margins, liquidity crunches persisted during the year. Company endeavoured to evaluate various options & potential ways of improving the cash flow through injection of working capital, however, the shadow of PCA framework hovered the working capital issue, resulting in increased interest burden by availing debt from other borrowing sources at exorbitant rate of interest.

Putting limelight on the working of the Company in FY 2018-19, in such a rugged environment, the Company's performance was satisfactory.

In FY 2018-19, snowball effect has been felt to expand geosynthetics business as there were acceptances of our new technology by the government. Flexituff Geo Technology earned name by using its technology in Ardh Kumbh Mela held at Allahabad.

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 Satisfaction.

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

We endeavor to emerge our products with innovative concepts and delivering the products within time period as per the customer specifications. According to the Global FIBC Market Research Report, flexible intermediate bulk container players are increasingly investing in R&D for the development of products that are high-performing in terms of quality, durability, and energy absorption. Further, the report states that with increase in the cost of raw materials, FIBC vendors have to increase the prices of their end products or reduce their profit margins, which will have an adverse effect on FIBC market growth. Although, FIBC Market will be likely to grow at 7.3% CAGR in 2019 as FIBC demand will be increasing from end-users.

Heading forward, FIBC, being the major segment of the Company, contributes around 75%-77% to Company's topline. It holds a market share of 15%-20% of Indian exports of FIBC.

Opportunities and Outlook

Flexituff is among the few FIBC manufacturing companies across the world who 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 and pharma industry 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

Risk is directly proportionate to return. Where in way opportunities been looked upon analogously threats and concerns walks. With the slowdown in world economic growth, the FIBC industry has also suffered a certain impact. Also, FIBC products are associated with normal business risk as well as the imbalance of demand-supply of products in the domestic as well as international market. Also, we are subject to foreign currency exchange rate fluctuations which could have impact on results of operations. Irregular inputs of raw materials may lead to low production & reduced throughput. 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

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

Geosynthetics help reinforce soil, distribute loads, prevent soil erosion, and control water pressure. They are used in civil construction and environmental applications such as landfills and filtrations. Geosynthetics serve as cost-effective alternatives in civil and coastal engineering, construction

industries, and environmental applications. It has applications in road construction, railway stabilization, water management, waste management, mining, soil reinforcement and erosion control.

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

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

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

Flexituff's geosynthetics business also making its presence and receiving appreciation in the market. With its vast product portfolio consist of woven and non-woven geo-textiles, sand-tubular geomattresses, GRW (geosynthetics-gravity Reinforced Walls) chains, megabags and geotextile tubes and proven project execution abilities, the Company has earned reputation in the domestic as well as international markets in a short span of time. In FY 2018-19, geosynthetics business accounted nearly 11% of Company's revenues and its share is expected to go up in future.

Although FY2018-19, the geosynthetics business saw a reduced topline basically on account of blockage of working capital challenge and low realisations. A management decision was taken to change the model of the business and to ensure that funds are not blocked. The working capital which was available with the company was deployed in the area which has the fastest turnaround of money. All those areas where the turnaround was higher were discouraged.

Opportunities and Outlook

The geosynthetics market will witness steady growth in the next few years and register a CAGR of more than 10% by 2022. The rising awareness about environmental protection will be one of the key factors impelling the market's growth over the next few years. With the emergence of environmental protection as a critical factor, over 20 global environmental treaties have been signed along with the several bilateral agreements among nations. For instance, the Resource Conservation and Recovery Act (RCRA) of the US mandated the use of geomembranes and geosynthetic clay liners (GCL) as bottom liners for waste containment, landfill closures, and cut-off walls. Such rise in awareness and regulations for environmental protection will contribute significantly to the growth of the geosynthetics market during the forecast period.

With the growing competition in the geosynthetics market, market players are developing innovative geomembranes to tap the potential markets. Geomembranes are being used as a replacement for cofferdams that are built for water closure in the construction of hydraulic projects. The Geosynthetic Institute has encouraged players to provide customized and innovative solutions to its customers. According to the geosynthetics industry research analysis, increase in research and development activities will be one of the major trends to gain traction in the market over the next few years.

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

Besides this, agriculture, railways and the river sector would offer high growth opportunities. At present, the awareness for usage and benefits for geotextiles is low in India but eco-friendly nature, dependability and cost-effectiveness has started leaving its imprints in many government projects during this year.

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

Risks and Concerns

The volatile prices of raw material due to fluctuations in prices of crude oil and gas along with its availability 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

Environmental hazards related to PE (polyethylene) & high cost of jute bags have spurred the adoption of polypropylene woven bags and sacks as comparatively sustainable alternative. Rapid inroads flagged by retail industry in FMCG (fast-moving consumer goods) sector has resulted in increasing retail outlets that is likely to bode well for expansion of polypropylene woven bags and sacks market.

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

Polypropylene Woven Bags & Sacks have become popular due to their inertness towards moisture, chemical & exceptional resistance towards rotting, fungus attack as they are nontoxic, perforation for breathability, UV protection and anti-skid printing, 100% recyclability ,light weight and are more advantages than conventional bags. Polypropylene Woven Bags and sacks laminated with LDPE/PP liner have wider applications.

Flexituff is known worldwide for its stylish and highly durable multicolored BOPP Woven bags. These special PP bags and reverse printed BOPP bags are used in packaging of agro and industrial products, pet food, retail industry and chemicals, etc.. It has an installed production capacity of 100 million bags a year, from small orders to extra large ones & represents an advanced concept of bulk packaging from 5-50 kgs that adds value to a brand's personality. Reverse-printed BOPP woven bags contributed close to 9% of revenues in FY 2018-19.

Opportunities and outlook

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

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

Risk and threats

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

DRIP IRRIGATION/INJECTION MOULDING BUSINESS

Drip irrigation is an efficient technique used for dripping water into the soil surface and root of the plant by a filtering process. Drip irrigation is carried out with the help of network of pipes, valves, narrow tubes and emitters, connected together. Drip irrigation is widely used in agricultural farms, commercial greenhouses and residential gardeners. Efficient and precise water management, water saving and use of less fertilizers with high yield of crops are fundamental advantages of drip irrigation. Drip irrigation is imperatively used for crops like tomatoes, coconut, strawberries, bananas, ber, citrus, eggplant, cotton, maize, sugarcane and others. In addition, fertigation and chemigation are advantages of drip irrigation market.

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

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

Flexituff has the installed production capacity of over 1 billion Non Pressure Compensating (NPC) drippers per annum. With over 30% market share, it holds a leadership position in India's flat dripper market. It also exports the drippers to the drip irrigation pipe manufacturers outside India. In FY 2018-19, NPC drippers contributed close to 3% of the Company's revenue.

Opportunities and outlook

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

Risk and threats

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

FINANCIAL OVERVIEW (Will be changed post approval of financials)

Standalone

- In FY 2018-19, Company's revenues from operations stands at Rs. 12016.99 Million as compared to Rs. 11866.09 Million in FY 2017-18, thereby recording a downfall of 1.27%.
- The Company reported a decline of 15.21% in EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) in FY 2018-19 which reached to Rs. 1578.21 Million. In FY 2017-18, the Company had recorded the EBITDA of Rs. 1861.38 Million.
- The Company's net worth mark a decrease to Rs. 3684.45 Million in Financial Year 2018-19.

Consolidation

- In FY 2018-19, Company's revenues from operations stands at Rs. 12452.15 Million as compared to Rs. 12622.82 Million in FY 2017-18, thereby recording a downfall of 1.35%.
- The Company reported a decline of 19.28% in EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) in FY 2018-19 which reached to Rs. 1500.97 Million. In FY 2017-18, the Company had recorded the EBITDA of Rs. 1859.43 Million.
- The Company's net worth mark a decrease to Rs. 3623.35 Million in Financial Year 2018-19.

Key Financial Ratios

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

Ratios	2019	2018
Debtors Turnover	3.14	3.05
Inventory Turnover	7.15	6.85
Interest Coverage Ratio	1.45	1.69
Current Ratio	1.03	0.93
Debt Equity Ratio	1.97	1.87
Operating Profit Margin	5.15%	6.89%
Net Profit Margin	-1.32%	-0.16%
Return on Net Worth	-4.29%	-0.49%

Reasons for significant changes from 2017-18 to 2018-19

During the year under review, cost of raw material increased by 3.25%, impacted operating profit margin by 1.75% resulting decrease in net profit margin and return on net worth.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

CAUTIONARY STATEMENT

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

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

DIRECTORS' REPORT

To,

The Members,

Flexituff Ventures International Limited

(Formerly Flexituff International Limited)

The Board of Directors hereby presents its 26th Director's Report on business & operations of your Company ('the Company' or 'FVIL') alongwith Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

The Company's Financial Performance for the year ended 31st March, 2019 is summarized below:

(Rs. In Millions)

FINANCIAL RESULTS AND APPROPRIATION	Standalone		Consolidated	
Particular	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Sales & other Incomes	12,016.99	11,866.09	12663.98	12929.22
Profit before Interest, Depreciation & Tax	1578.21	1861.38	1500.97	1,859.43
Profit/(Loss) before Tax	(215.64)	9.07	(295.04)	(14.07)
Profit/(Loss) for the year / Balance available for Appropriation	(157.76)	(23.44)	(235.53)	(43.32)
Other Comprehensive (Loss)/Income	**(0.48)**	4.46	(1.97)	4.46
Total Other Comprehensive (Loss)/Income	(158.24)	(18.98)	(237.50)	(38.86)

STATE OF COMPANY'S AFFAIRS

During the year under review, the company has achieved consolidated total revenue and profit before interest, depreciation and tax of Rs. 12663.97 Million and Rs. 1500.97 Million respectively as against total revenue and profit before interest, depreciation and tax of Rs. 12,929.22 Million and Rs. 1,859.43 Million respectively during the previous financial year.

Further, the company has achieved standalone total revenue and profit before interest, depreciation and tax of Rs. 12,016.99 Million and Rs. 1578.21 Million respectively as against total revenue and profit before interest, depreciation and tax of Rs. 11,866.09 Million and Rs. 1861.38 Million respectively during the previous financial year.

DIVIDEND

During the year under review, Company didn't generate enough revenue/surplus to declare dividend, hence your directors do not propose any dividend for the Financial Year ended 31st March, 2019.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs. 248.83 Million divided into 2,48,82,806 shares of Rs. 10/- each.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

AWARDS & CERTIFICATIONS

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

During the year, Company achieved A Grade under Global Standard for Packaging & Packaging Material and the Company was inspected by a Qualified AIB Inspector under requirements of AIB International and was announced to be on 925/1000.

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

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

CREDIT RATING

The credit rating assigned by ICRA Limited as on 31st March, 2019 was **"B+"** rating for the Long term loan and **"A4"** for Short term Non-Fund Based Limits, which indicates "negative" outlook.

Your Board opined and states that due to outstanding repayments of FCCBs of TPG Growth II PTE Ltd (TPG) & International Finance Corporation (IFC), the credit rating of the Company gets highly impacted. Although, during the year under review, TPG's bondholders consented to extend the tenure of repayment by 48 months being final new maturity date as 30th June, 2022. The Company has also submitted its request and proposal to IFC's bondholders in same line with TPG, the matter is under consideration with IFC.

SUBSIDIARIES/JOINT VENTURE/ASSOCIATES

During the year under review, Nanofil Technologies Private Limited ceased to be wholly owned subsidiary of the Company.

The Company has 2 Direct Subsidiaries, 1 Indirect Subsidiary, 6 Joint Ventures and 5 LLPs as on 31st March, 2019.

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

Direct Subsidiaries

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

Flexiglobal Holdings Limited, Cyprus

Indirect Subsidiaries

Flexiglobal (UK) Limited, UK

Joint Venture/LLP

Flexituff Javed Ahmed LLP

Flexituff Hi-Tech LLP

Flexituff SA Enterprise LLP

Flexituff Sailendra Kalita LLP

Ujjivan LUIT LLP

Budheswar Das Flexituff International Limited JV

Sanyug Enterprises Flexituff International Limited JV

Vishnu Construction Flexituff International Limited JV

Mayur Kartick Barooah Flexituff International Limited JV

Flexituff Shailendra Kalita JV

Flexituff Pulin Borgohain JV

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

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

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

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

SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

a.) In the preparation of annual accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b.) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.

c.) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

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

CORPORATE GOVERNANCE

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

RELATED PARTY TRANSACTION

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

Accordingly, particulars of Contracts or Arrangements with Related Party Transactions referred to in Section 188(1) of the Act in Form AOC-2 does not form part of Directors' Report.

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

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

CORPORATE SOCIAL RESPONSILBILITY

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

approved by the Board.

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

(http://flexituff.com/wp-content/uploads/2019/01/Policies-Programmes-CSR.pdf)

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

FIXED DEPOSITS

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

RISK MANAGEMENT

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

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

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

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

DIRECTORS / KEY MANAGERIAL PERSONNEL (KMPS)

The following changes occurred in the position of Directors/KMPs of the Company from 1st April, 2018 till the date of this report:

S.No.	Name of Director/KMPs	Date of Appointment/ (Cessation)	Event
1.	Mr. Mahesh Sharma (DIN: 07610685)	30/05/2018	Ceased to be CEO and Whole Time Director, KMP due to his resignation from the Board
2.	Mr. Ashish Jamidar (DIN: 08196328)	14/08/2018	Appointed as Additional & Whole-Time Director

The Board placed on record its sincere appreciation for the invaluable contribution and guidance provided by Mr. Mahesh Sharma during his tenure and welcomes the incoming director.

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

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

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

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

DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

In accordance with the provisions of the Act & Articles of Association of the Company, Mr. Anand Khandelwal (DIN: 07889346), Whole-Time Director retires by rotation at the ensuing Annual General Meeting and Mr. Anirudh Sonpal (DIN: 03367049) Independent Director of the Company, proposed to be reappointed at the ensuing Annual General Meeting. The Board of Directors has recommended their 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 Company and the Directors on the basis of the feedback received from all the Directors of the Company.

Structured performance evaluation questionnaire were circulated to the Directors for:

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

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

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

AUDITORS

STATUTORY AUDITORS

M/s Kailash Chand Jain & Co., Chartered Accountants and M/s MSKA & Associates (formerly MZSK & Associates),

Chartered Accountants, were appointed as Statutory Auditors of the Company, for a term of 5 years & 3 years; respectively, at the Annual General Meeting held on 22nd August, 2017.

Ratification of their appointment every year is no more required pursuant to the revised provisions of Section 139 of the Companies Act, 2013. The Auditors have confirmed that they comply with all the requirements and criteria are otherwise qualified to continue to act as Auditors of the Company. No frauds have been reported by the Auditors under section 143(12) of the Companies Act, 2013.

AUDITORS' REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITOR

M/s. Ritesh Gupta & Company, Company Secretaries were appointed to conduct the secretarial audit of the Company for the Financial Year 2018-19, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The Secretarial Audit Report for the Financial Year 2018-19 forms part of the Annual Report as 'Annexure B' to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s. Ritesh Gupta & Company, Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2019-20.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD

Four (4) meetings of the Board of Directors were held during the year under review. The details of meetings held and attendance of the Directors are detailed in the Corporate Governance Report, which forms part of this report.

AUDIT COMMITTEE

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

VIGIL MECHANISM

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

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

CODE OF CONDUCT

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

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

All the Board members & Senior Management Personnel have affirmed compliance with the said code of conduct for the year ended 31st March, 2019. A declaration to this effect, signed by the Whole-Time Director forms part of this Annual Report.

INSIDER TRADING

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

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

All the Board members & KMPs have affirmed compliance with the said code of conduct for the year ended 31st March, 2019.

PARTICULARS OF EMPLOYEES

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

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-D' forming part of this Annual Report.

DEMATERIALISATION AND ELECTRONIC REGISTRAR

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31st March 2019, 95.48% equity shares were in demat form and remaining 4.52% equity shares were in physical form.

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

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATION

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

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

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

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

During the year under review, no compliant was received from any employee of the Company and hence no complaint was outstanding as on 31st March, 2019.

EXTRACT OF ANNUAL RETURN

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

NAME CHANGE OF THE COMPANY

During the year under review, the name of the Company has been changed from "Flexituff International Limited" to Flexituff Ventures International Limited" w.e.f. 28th September, 2018.

Under review, the name of the Company has been changed from "Flexituff International Limited" to Flexituff Ventures International Limited" w.e.f. 28th September, 2018.

MATERIAL CHANGES AFFECTING THE COMPANY

As on 31st March, 2019, the Company has defaulted in repayment of dues as mentioned below:-

Particular	Amount of default in Rs. Millions as at March 31,2019	Period of default from
i) Name of the lenders in case of:		
Financial Institution/ NBFC:		
1. KKR India Financial Services Private Limited	99.90	February 28, 2019
2. IFCI Limited	25.00	March 15, 2019
3. IFCI Venture Capital Funds Ltd.	7.58	February 28,2019
4. IFCI Venture Capital Funds Ltd.	7.58	March 31, 2019
5. International Finance Corporation	622.54	January 31, 2019
Bank:		
Central Bank of India	12.50	March 31, 2019

From the overdue amount of Rs. 152.55 Millions (except IFC), Rs. 144.98 Millions has been paid subsequently and balance Rs. 7.57 Millions is still overdue as on the date of this report.

Further, the Company is in the process of seeking necessary approval and extension from IFC and the Reserve Bank of India.

The aforesaid disclosure is a part of explanation to the observations given by the Statutory & Secretarial Auditor in their respective reports.

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of Sweat Equity Shares to employees of the Company under any scheme
- Details pertaining to Employee Stock Options (ESOPs) as no ESOPs were outstanding as on 31st March, 2019.
- Issue of differential shares with voting rights as to dividend, voting or otherwise
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

- No fraud has been reported by the Auditors to the Audit Committee or the Board.

APPRECIATION

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

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

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

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

Date: 24.05.2019
Place: Pithampur

Annexure to the Board's Report Form **AOC-1**

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

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

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

S. NO	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for tax	Profit/ (Loss) after taxation	Proposed Dividend	% of shareholding
Direct Subsidiaries														
1	Flexiglobal Holdings Limited	N.A.	GBP- INR/ 1 GBP = 95.0882	12.52	6.21	19.42	26.99	9.05	0.33	(0.90)	0.00	(0.90)	-	100 %
2	Flexituff Technology International Limited (formerly known as Flexituff FIBC Limited)	N.A.	INR	0.10	(0.17)	0.78	0.84	-	-	(0.16)	-	(0.16)	-	100 %
Indirect Subsidiaries														
3	Flexiglobal (UK) Limited, UK	N.A.	GBP- INR/ 1 GBP = 95.0882	9.05	42.86	23.73	6.53	-	98.96	(35.13)	1.22	(36.35)	-	100 %

Part "B": Associates and Joint Ventures **(Amount in Rs.Millions)**

S. No.	Name of Company	Latest Audited Balance Sheet Date	Shares of Associate/ joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the Associate/ Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year	Considered in Consolidation	Not considered in Consolidation
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding%						
1	Flexituff Javed Ahmed LLP	March 31, 2019	N.A.	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	(38.86)	(19.73)	(19.73)	NIL
2	Flexituff HI-Tech LLP		N.A.	0.08	80%		N.A.	(1.40)	(3.17)	(3.17)	NIL
3	Flexituff SA Enterprise LLP		N.A	0.075	75%	Flexituff holds 75% of capital & interest in Profit/Loss of the J V	N.A.	(16.85)	0.28	0.28	NIL
4	Flexituff Sailendra Kalita LLP		NA	0.08	80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	(2.94)	(0.93)	(0.93)	NIL
5	Ujjivan Luit LLP		NA	0.05	51%	Flexituff holds 51% of capital & interest in Profit/Loss of the J V	N.A.	1.37	0.79	0.79	NIL
6	Budheshwar Das Flexituff International Limited JV	March 31, 2019	NA	55%		Flexituff holds 55% of capital & interest in Profit/Loss of the J V	N.A.	3.93	1.75	1.75	NIL
7	Mayur Kartick Barooah Flexituff International Limited JV		NA	50%		Flexituff holds 50% of capital & interest in Profit/Loss of the J V	N.A.	(1.12)	(2.71)	(2.71)	NIL
8	Sanyug Enterprise Flexituff International Limited JV		NA	80%		Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	0.42	(0.64)	(0.64)	NIL
9	Vishnu Construction Flexituff International Limited		NA		75%	Flexituff holds 75% of capital & interest in Profit/Loss of the J V	N.A.	(1.07)	(1.98)	(1.98)	NIL
10	Flexituff Sailendra Kalita JV		NA		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	0.03	0.21	0.21	NIL
11	Flexituff Pulin Borgohain JV		NA		80%	Flexituff holds 80% of capital & interest in Profit/Loss of the J V	N.A.	2.14	2.23	2.23	NIL

For and On Behalf of the Board of Directors of

Flexituff Ventures International Limited

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

Place: Pithampur
Date: 24/05/2019

Annexures to the Board's Report

ANNEXURE - B

FORM No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,

The Members,

Flexituff Ventures International Limited

(Formerly Flexituff International Limited)

C41-50, Sec No III SEZ

Industrial Area Pithampur

Dhar (MP)-454775

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Flexituff Ventures International Limited (Formerly Flexituff International Limited) having CIN: L25202MP1993PLC034616 (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2019, 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 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
5. The Provisions of the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. The Company has identified and confirmed the following law as being applicable specifically to the company:
   - Factory Act,1948
   - Environment Protection Act,1986
   - The Water (Prevention and Control of Pollution) Act,1974;
   - The Air (Prevention and Control of Pollution) Act,1981;
   - Special Economic Act,2005;
   - Explosive Act, 1884.

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

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

- Secretarial Standards -1 pertaining to Board Meeting and Secretarial Standards-2 pertaining to General Meeting issued by Institute of Company Secretaries of India were applicable during the year.
- Securities Exchange of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

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

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

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

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

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

I further report that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc. which are applicable on the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

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

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

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

I further report that event/ actions having a major bearing in the affairs of the Company during the period under the report as below-

- Name of the Company has been changed from Flexituff international Limited to Flexituff Ventures International Limited w.e.f. 28th September, 2018 in Annual General Meeting
- 5.44% Foreign Currency Convertible Bonds (the "FCCBs") of USD 25 Million issued to TPG Growth SF II Pte. Ltd. ("TPG"), convertible at the option of Bondholder into fully paid up equity shares of the Company at a price of Rs. 218/- per equity share were fallen due on 26th April, 2018. On the request of the Company, TPG extended the said repayment to 30th June, 2018 and thereafter for a period of Forty-Eight (48) Months from 30th June, 2018 on revised terms & conditions as mutually agreed between Company & TPG and approved by Authorized Dealer & RBI.
- 5.34% Foreign Currency Convertible Bonds (the "FCCBs") of USD 9 Million issued to International Finance Corporation ("IFC") convertible at the option of Bondholder into fully paid up equity shares of the Company at a price of Rs. 230/- per equity share were fallen due on 29th January, 2019, the proposal for extending the repayment is under consideration with IFC, on the terms discussed between the Company and IFC.

For Ritesh Gupta & Co.

Company Secretaries

Date: 24.05.2019 **Ritesh Gupta**

Place: Indore CP:3764, FCS:5200

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

'Annexure-A' to the Secretarial Audit Report

To,
The Members,
Flexituff Ventures International Limited(Formerly Flexituff International Limited)
My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.
4. The compliances of subsidiaries companies not been reviewed in this audit since the same have been subject to review by other designated professionals and not a part of my audit assignment.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For Ritesh Gupta & Co.
Company Secretaries

Date: 24.05.2019
Place: Indore

Ritesh Gupta
CP:3764, FCS:5200

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTOR

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

To,
The Members
Flexituff Ventures International Limited

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

S. No.	Name of Director	DIN
1.	Saurabh Kalani	00699380
2.	Bhuwan Navneet Modi	02855329
3.	Anirudh Chittaranjan Sonpal	03367049
4.	Alka Sagar	07138477
5.	Anand Khandelwal	07889346
6.	Ashish Jamidar	08196328

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

For Ritesh Gupta & Co.
Company Secretaries

Date: 24.05.2019
Place: Indore

Ritesh Gupta
CP:3764, FCS:5200

Annexures to the Board's Report

ANNEXURE - C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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

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

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

CSR Policy is stated herein below:

http://www.flexituff.com/Investor/Policies%20and%20Programme/Policies%20and%20Programme_Corporate%20Social%20Responsibility%20Policy.pdf

2. Composition of CSR Committee as on 31st March, 2019 :

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. Bhuwan Navneet Modi	Member	Independent Director

3. Average net profit for last 3 financial years:

Average net profit: Rs. 385.50 Lakhs

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

The Company is required to spend Rs. 7.71 Lakhs towards CSR.

5. Details of CSR Spent for the financial year :

A. Total amount to be spent for the financial year: Rs. 7.71 Lakhs

B. Amount unspent if any: NIL

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

(Amount in Lakhs)

S. No	CSR Project / Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Projects or programs wise	Amount spent on the projects or programmes	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing Agency
1.	Reading & learning intervention program to children with learning disabilities/ difficulties	cl.(ii) Promoting education.	Indore, Madhya Pradesh	1.15	1.15	1.15	Aarambh Foundation
2.	Pulwama Attack victims	cl.(viii) Contribution to fund set up by the Central Government	-----	-----	1.00	1.00	Direct
3.	Promoting holistic & sustainable development of people & their surroundings in slum areas & villages	cl.(i) Eradicating hunger, poverty and malnutrition	Indore, Madhya Pradesh	2.15	2.15	2.15	Indore Diocese Social Service Society (IDSSS)

S. No	CSR Project / Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Projects or programs wise	Amount spent on the projects or programmes	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing Agency
4.	Education to Blind	cl.(ii) promoting education to differently abled	Indore, Madhya Pradesh	1.30	1.30	5.60	M.P. Welfare Association of the Blind
5.	Providing guidance to people stuck in the loop of tobacco addiction	cl.(i) Promoting health care	Pithampur, Dist. Dhar & Barwaha, Dist. Khargone, Madhya Pradesh	1.15	0.88	6.48	Tobaccgo
6.	Promotion of rural sports	cl.(vii)	Mhow, Dist. Indore, Madhya Pradesh	1.00	1.50	7.98	Direct
	TOTAL			**6.75**	**7.98**	**7.98**	

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.

The Company has spent the requisite amount on CSR.

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

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

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

Saurabh Kalani
Chairman, CSR Committee

Date: 24/05/2019
Place: Pithampur

Annexure to the Board's Report

ANNEXURE - D

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A. CONSERVATION OF ENERGY

POWER CONSUMPTION-

(Amount in Million)

Electricity	FY 2018-19	FY 2017-18
Unit Purchased (in KW)	61806.70	67793.00
Total Amount (Rs. in Millions)	339.88	368.14
Rate per Unit (in Rs.)	5.50	5.43

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

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

Some of the highlights are mentioned as below:-

1. Fluorescent tube lights & Compact fluorescent lamps have been replaced with Light-Emitting Diode (LED) Lamps.
2. Conventional Analog DC drive has been replaced with new variable frequency drives to ensure energy cost savings associated with speed control.
3. Survey of production area has been started for changes as per the production requirement in factory and 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 been instructed to replacing old monitors with flat LED screens which consume less energy
5. Old temperature controllers are being replaced by new proportional-integral-derivative (PID) temperature controllers, by their timely calibration energy wastage has been minimised.
6. Cost of electricity has been reduced by improving the power factor through running electric motors efficiently in order to achieve power factors close to 1(unity). Also, to reduce electricity's cost Maximum Demand control i.e. current drawn at the supply voltage averaged over half an hour has been implemented. Further many other attempts has been implemented like staggering start-ups, giving machinery time to stabilise before starting up new processes, etc in order to reduce cost.
7. Variable Frequency Drives (VFDs) has been installed in Looms, earlier which was running on star delta starters.

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 imported from German, Guntur to enhance the productivity and quality improvement.
2. Installation of Water Chilling Plant of 120 Ton has been under implementation which will enhance the cooling efficiency and hence product quality.

C. FOREIGN EXCHANGE EARNING AND OUTGO (On standalone basis)

(Amount in Million)

Particulars	FY 2018-19	FY 2017-18
Earning in Foreign Exchange	6810.20	7357.29
Expenditure in Foreign Currency	482.67	476.91

For and On Behalf of the Board of Directors of

Flexituff Ventures International Limited

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

Place: Pithampur
Date: 24/05/2019

Annexures to the Board's Report

ANNEXURE-E

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31st March, 2019

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name & Address of the Cmpany	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Flexiglobal Holdings Limited	HE238405	Direct Subsidiary	100%	2(87)
2	Flexituff Technology International Limited (Formerly Flexituff FIBC Limited)	U25209DL2017PLC322493	Direct Subsidiary	100%	2(87)
3.	Flexiglobal (UK) Limited, UK	06663662	Indirect Subsidiary	100%	2(87)

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF -	-	-	-	-	-	-	-	-	
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8181603	-	8181603	32.88	8181603	-	8181603	32.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other									
Sub-total (A)(1):-	8181603	-	8181603	32.88	8181603	-	8181603	32.88	-
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual -	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A1) + (A2)	**8181603**	**0**	**8181603**	**32.88**	**8181603**	**-**	**8181603**	**32.88**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1993388	0	1993388	8.01	1993388	0	1993388	8.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	231110	0	231110	0.93	231110	0	231110	0.93	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-total (B)(1):-	**2224498**	**0**	**2224498**	**8.94**	**2224498**	**0**	**2224498**	**8.94**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7590064	0	7590064	30.50	7776925	0	7776925	31.25	0.75
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	858036	3	858039	3.44	893958	3	893961	3.59	0.15

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs1lakh	639070	0	639070	2.57	668618	991607	1660225	6.68	4.10
c) Others (specify)									
(i)Director/Relatives	-	-	-	-	-	-	-	-	-
(ii) Clearing Member	177587	0	177587	0.71	25205	0	25205	0.10	(0.61)
(iii) Market Makers, Office Bearers	-	-	-	-	-	-	-	-	-
(iv) Foreign Nationals-NRI, Foreign Companies	3954137	1125795	5079932	21.08	3918486	134188	4052674	16.29	(4.80)
(v) HUF	132013	0	132013	0.53	57715	0	57715	0.23	(0.30)
(vi) NBFC	0	0	0	0.00	10000	0	10000	0.04	0.04
Sub-total (B)(2):-	**13350907**	**1125798**	**14476705**	**58.83**	**13350907**	**1125798**	**14476705**	**58.18**	**0.70**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**15575405**	**1125798**	**16701203**	**67.11**	**15575405**	**1125798**	**16701203**	**67.12**	**00.01**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**23757008**	**1125798**	**24882806**	**100.00**	**23757008**	**1125798**	**24882806**	**100.00**	**00.00**

B) Shareholding of Promoter-

S.no.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)			Shareholding at the end of the year (31/03/2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Kalani Industries Private Limited	3621730	14.56	14.56	3621730	14.56	14.56	0.00
2	Miscellani Global Private Limited	1359163	5.46	5.46	1359163	5.46	5.46	0.00
3	High Skey Properties Private Limited	1044775	4.20	4.20	1044775	4.20	4.20	0.00
4	Sanovi Trading Private Limited	1009370	4.06	4.06	1009370	4.06	4.06	0.00
5	Anshuman Properties Private Limited	1146565	4.61	4.61	1146565	4.61	4.61	0.00

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

Particulars	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding during the year (31/03/2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company No Change
No Change				

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date Wise Increase/decrease in shareholding due to buy & sell				Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	No. of Shares	% increase/ decrease	Reason	No. of shares	% of total shares of the company
1	International Finance Corporation	1902173	7.64	-	-	-	-	1902173	7.64
2	Saurabh Properties Private Limited	1637905	6.58	-	-	-	-	1637905	6.58
3	TPG Growth II SF PTE Limited	1227273	4.93	-	-	-	-	1227273	4.93
4	Life Insurance Corporation Of India	1193388	4.79	-	-	-	-	1193388	4.79
5	Vinay Birla	0.00	0.00	08/02/2019	991607	3.98	Transfer	991607	3.98
6	Sunrise Properties Private Limited	958630	3.85	-	-	-	-	958630	3.85
7	Seven Star Properties Private Limited	952470	3.83	-	-	-	-	952470	3.83
8	Fantasy Real Estates Private Limited	915800	3.68	-	-	-	-	915800	3.68
9	Clearwater Capital Partners (Cyprus) Limited	809780	3.25	06/04/2018 13/04/2018 20/04/2018	(11000) (22500) (2000)	(0.14)	Transfer	798780 776280 774280	3.21 3.12 3.11
10	General Insurance Corporation of India	800000	3.21	-	-	-	-	800000	3.21

E) Shareholding of Directors and Key Managerial Personnel:

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

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

(Amount in Millions)

Indebtness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4594.10	2622.37	-	7216.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.54	52.60	-	56.14
Total (i+ii+iii)	**4597.64**	**2674.97**	**-**	**7272.61**
Change in Indebtedness during the financial year				
* Addition	608.48	716.14	-	1324.62
* Reduction	1058.84	187.06	-	1245.90
Net Change	(450.36)	529.08	-	78.72
Indebtedness at the end of the financial year				
i) Principal Amount	4143.39	3151.80	-	7295.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.92	102.54	-	106.46
Total (i+ii+iii)	**4147.31**	**3254.34**	**-**	**7401.65**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Millions)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Saurabh Kalani, Whole-time Director	Mr. Anand Khandelwal, Whole-time Director	Mr. Ashish Jamidar, Whole-time Director[@]	Mr. Mahesh Sharma, Whole-time Director & Chief Executive Officer[#]	
1	**Gross salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.97	1.12	1.26	1.78	7.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission others, specify as % of profit	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	**2.97**	**1.12**	**1.26**	**1.78**	**7.12**
	Ceiling as per Schedule V of Companies Act, 2013	24.70	24.70	24.70	24.70	98.80

Note:

[#]Mr. Mahesh Sharma has resigned from the Board w.e.f. 30th May, 2018

[@]Mr. Ashish Jamidar has been appointed as a Whole-Time Director of the Company w.e.f.14th August, 2018.

B. Remuneration to other directors

(Amount in Rs. Millions)

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	**Mr. Anirudh Chittaranjan Sonpal**	**Mr. Bhuwan Modi**	
	Fee for attending board committee meetings	0.04	0.04	0.08
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)			**0.08**
2	Other Non-Executive Directors	**Ms. Alka Sagar**		
	Fee for attending board committee meetings	0.04		0.04
	Commission	-		-
	Others- reimbursements	0.12		0.12
	Total (2)			**0.16**
	Total (B)=(1+2)			**0.24**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs. Millions)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ajay Mundra, Chief Financial Officer	**Ms. Khushboo Kothari, Company Secretary**	**Total**
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.67	0.69	4.36
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others - (Incentives)	-	-	-
	Total	**3.67**	**0.69**	**4.36**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Place: Pithampur
Date: 24/05/2019

Saurabh Kalani
Whole-Time Director
DIN: 00699380

Anand Khandelwal
Whole-Time Director
DIN: 07889346

ANNEXURE - F

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	13.59x
2.	Mr. Anand Khandelwal	Whole Time Director	5.11x
3.	Mr. Ashish Jamidar	Whole Time Director	Not Comparable

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. 0.22 Million.

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

S.no.	Name of Employee	Designation	Increase in Remuneration
1.	Mr. Saurabh Kalani	Whole Time Director	-
2.	Mr. Anand Khandelwal	Whole Time Director	-
3.	Mr. Ashish Jamidar	Whole Time Director	Not Comparable
4.	Mr. Ajay Mundra	Chief Financial Officer	2.89%
5.	Ms. Khushboo Kothari	Company Secretary	Not Comparable

#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 :** 16%

iv. **The number of permanent employees on the rolls of the Company:** 1230

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 12.00% 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.

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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 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:-

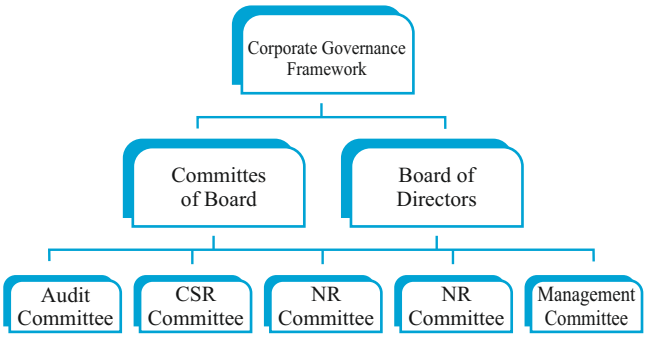
- Simple and transparent corporate structure.
- Principle of freedom to the executive management within the given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility.
- Careful construction and continual evaluation of Corporate Governance 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 2018-19, the Board of Directors of the comprised of 6 (Six) Directors and out of which 3 (Three) are Executive Directors, 1 (One) is Non-Executive Director and 2 (Two) are Independent Directors. The Chairman of the Board is an Independent Director.

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

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

The composition & category of Directors as on 31st March, 2019 are as follows:

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

Attendance & Membership/Chairmanship of Directors in other Companies

Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 19th September, 2018	No. of Directorship in other Companies (excluding private companies)	Membership/Chairmanship of Committees of other Companies (Represents Audit Committee & Stakeholders' Relationship Committee)	
				Member	Chairman
Board of Directors as on 31st March, 2019					
Mr. Anirudh Chittaranjan Sonpal (DIN: 03367049)	4	Yes	0	0	0
Mr. Bhuwan Navneet Modi (DIN: 02855329)	4	Yes	0	0	0
Mrs. Alka Sagar (DIN: 07138477)	4	Yes	0	0	0
Mr. Saurabh Kalani (DIN: 00699380)	4	Yes	1	0	0
Mr. Anand Khandelwal (DIN: 07889346)	4	Yes	1	0	0
Mr. Ashish Jamidar (DIN: 08196328)	3	No	0	0	0
Board of Directors during the financial year 2018-19					
Mr. Mahesh Sharma[1] (DIN: 07610685)	0	NA	NA	NA	NA

NA - Not Applicable

Note :

1. Mr. Mahesh Sharma ceased to be Director w.e.f 30th May, 2018.

2. None of the Director holds any Directorship in any other listed Company.

No. of Board Meetings held during the year

During the year under review, 4 (Four) board meetings were held on below-mentioned dates:-

30th May, 2018; 14th August, 2018; 12th November, 2018 and 10th January, 2019.

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

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

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

None of our directors were holding shares & convertible instruments of the Company as on 31st March, 2019.

Familiarisation Programmes

The details of familiarisation programmes are available on the website of the Company viz. (http://flexituff.com/wp-content/uploads/2019/01/Policies-Programmes-Familiarisation.pdf)

Independent Directors

In opinion of the Board, the Independent Directors fulfill the conditions of independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations and are independent of management.

The Company has also 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.

Separate Meeting of Independent Directors was held during the year under review on **10th January, 2019** without the presence of Executive Directors to discuss the matters pertaining to Company's affairs and evaluate the performance of Non-Independent Directors.

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/).

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

i) Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,

ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

iii) Strategic thinking and decision making,

iv) Financial Skills,

v) Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

3. COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

Audit Committee has been constituted in accordance with the provisions of 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 2018-19		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2019				
Mr. Anirudh Chittaranjan Sonpal	Chairman	4	4	4
Mr. Bhuwan Navneet Modi	Member	4	4	4
Mr. Saurabh Kalani	Member	4	4	4

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, the Audit Committee met 4 (Four) times on below-mentioned dates and the gap between two meetings did not exceed one hundred and twenty days:

30th May, 2018; 14th August, 2018; 12th November, 2018 and 9th January, 2019.

Note:- Audit Committee was re-constituted on 30th May, 2018 owing to the resignation of Mr. Parag Gupta, Independent Director w.e.f 13th March, 2018.

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 2018-19		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2019				
Mr. Bhuwan Navneet Modi	Chairman	2	2	2
Mr. Anirudh Chittaranjan Sonpal	Member	2	2	2
Ms. Alka Sagar	Member	2	2	2

Note:- Nomination & Remuneration Committee was re-constituted on 30th May, 2018 with induction of Ms. Alka Sagar as member of the Committee.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

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

14th August, 2018 and 10th January, 2019.

Terms of Reference

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

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

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

Performance Evaluation

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

Structured performance evaluation questionnaire were circulated to the Directors for:

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

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

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

REMUNERATION

Relation & transactions of Non-Executive Directors

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

Criteria of making payments to Non-Executive Directors

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

Details of Remuneration/Sitting Fees

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

(Amount in Million)

Name of Director	Salary, Allowance & benefit	Reimbursement	Bonus	Pension	Provident Fund	Stock Options	Sitting Fees	Total
Mr. Saurabh Kalani	1.76	-	0.007	1.20	-	-	-	2.97
Mr. Ashish Jamidar*	1.26	-	0.007	-	-	-	-	1.26
Mr. Anand Khandelwal	1.11	-	0.007	-	0.08	-	-	1.20
Mr. Mahesh Sharma**	1.78	-	-	-	-	-	-	1.78
Mr. Anirudh Sonpal	-	-	-	-	-	-	0.04	0.04
Mrs. Alka Sagar	-	0.12	-	-	-	-	0.04	0.16
Mr. Bhuwan Navneet Modi	-	-	-	-	-	-	0.04	0.04

* Mr. Ashish Jamidar has been appointed as a Whole-Time Director of the Company w.e.f.14th August, 2018.

**Mr. Mahesh Sharma has resigned from the Board w.e.f 30th May, 2018.

Service Contracts, Severance Fees and Notice Period

The Whole-Time Directors appointment 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 2018-19		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2019				
Mr. Bhuwan Navneet Modi	Chairman	3	3	3
Mr. Anirudh Chittaranjan Sonpal	Member	3	3	3
Ms. Alka Sagar[1]	Member	3	2	2

[1]Ms. Alka Sagar has appointed as member of the Stakeholder's Relationship Committee w.e.f 30th May, 2018.

Note:- Stakeholders Relationship Committee was re-constituted on 30th May, 2018 owing to the resignation of Mr. Parag Gupta w.e.f 13th March, 2018 & induction of Ms. Alka Sagar as member of Committee.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 3 (Three) Stakeholders' Relationship Committee Meetings were held on the below-mentioned dates:-

30th May, 2018; 14th August, 2018 and 12th November, 2018.

Terms of Reference

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

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

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

Name & Designation of Compliance Officer

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

Details of shareholders' complaints during the year 2018-19*:-

No. of complaints as on 01.04.2018	Received during the year	Resolved during the year	No. of complaints as on 31.03.2019
NIL	NIL	NIL	NIL

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2018-19		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2019				
Mr. Saurabh Kalani	Chairman	2	2	2
Ms. Alka Sagar	Member	2	2	2
Mr. Bhuwan Navneet Modi	Member	2	2	2

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 2 (Two) Corporate Social Responsibility Committee Meetings were held on below-mentioned dates:-

14th August, 2018 and 9th January, 2019.

Terms of Reference

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

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

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

- Monitor the CSR activities undertaken by the Company.
- Review of Annual Report on CSR.

The Company formulated CSR Policy, which is uploaded on the website of the Company viz. (http://flexituff.com/wp-content/uploads/2019/01/Policies-Programmes-CSR.pdf)

MANAGEMENT COMMITTEE

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

Composition, Meetings & Attendance

Name of director	Category	No. of meetings during the Financial Year 2018-19		
		Held during the year	Liable to Attend	Attended
Composition as on 31st March, 2019				
Mr. Saurabh Kalani	Chairman	19	19	18
Mr. Anand Khandelwal	Member	19	19	19
Mr. Ashish Jamidar [1]	Member	13	13	13
Member who ceased to be Director during the Financial year				
Mr. Mahesh Sharma [2]	Member	3	3	2

[1] Mr. Ashish Jamidar was appointed as Director of the Company w.e.f 14th August, 2018.

[2] Mr. Mahesh Sharma ceased to be Director w.e.f 30th May, 2018.

Secretary to the Committee:

Ms. Khushboo Kothari, Company Secretary

During the year under review, 19 (Nineteen) Management Committee Meetings were held. The dates on which the said meetings were held are as follows:

16th April 2018; 3rd May 2018; 24th May 2018; 13th June 2018; 26th June 2018; 1st August 2018; 25th August 2018; 10th September 2018; 11th October 2018; 22nd October 2018; 13th November 2018; 29th November 2018; 7th December 2018; 18th December 2018; 5th January 2019; 19th January 2019; 4th February 2019; 16th February 2019 and 1st March 2019.

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
25th	2017-18	19th September, 2018	12:00 Noon	C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) –454775
24th	2016-17	22nd August, 2017	12:30 P.M.	
23rd	2015-16	30th July, 2016	11:00 A.M.	

Special resolutions passed at last three AGM:

AGM	Financial Year	Special Resolution Passed
25th	2017-18	Approval for change of name of the Company from "Flexituff International Limited" to "Flexituff Ventures International Limited"
		Appointment of Mr. Ashish Jamidar (DIN: 08196328) as Whole-Time Director of the Company
		Payment of Remuneration to Mr. Mahesh Sharma (DIN: 07610685) as Whole-Time Director of the Company in case Company has no profit or inadequate profit
		Payment of Remuneration to Mr. Saurabh Kalani (DIN: 00699380) as Whole-Time Director of the Company in case Company has no profit or inadequate profit
		Payment of Remuneration to Mr. Anand Khandelwal (DIN: 07889346) as Whole-Time Director of the Company in case Company has no profit or inadequate profit
		Prescribing the charges for delivery of documents to Members
24th	2016-17	Appointment of Mr. Mahesh Sharma (DIN: 07610685) as Whole-Time Director of the Company
		Re-appointment of Mr. Saurabh Kalani as Whole-Time Director of the Company
		Appointment of Mr. Anand Khandelwal (DIN: 00699380) as Whole-Time Director of the Company
		Ratification of remuneration paid to Mr. Akhilesh Agnihotri as Whole-Time Director
		Approval of Strategic Debt Restructuring Scheme
23rd	2015-16	Issue of Secured or Unsecured Non-Convertible Debentures/Bonds
		Approval for payment of remuneration to Mr. Saurabh Kalani, Whole-time Director of the Company in case of inadequate profits for the Financial year 2015-16
		Approval for payment of remuneration to Mr. Saurabh Kalani, Whole-time Director of the Company in case of inadequate profits from 1st April, 2016 to 30th May, 2017

Extraordinary General Meeting

During the year under review, one extraordinary general meeting was held on 25th June, 2018.

EGM	Financial Year	Special Resolution Passed
1	2018- 19	Issue of Securities on Private Placement Basis

Postal Ballot

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

5. DISCLOSURES

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

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

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

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

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

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

None of the transactions with a

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

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

No. of complaints as on 01.04.2018	Filed during the year	Disposed of during the year	No. of complaints as on 31.03.2019
NIL	NIL	NA	NIL

Details of establishment of vigil mechanism & whistle blower policy

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

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

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

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

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

(Amount in Million)

Payment to Statutory Auditors	2018-19
Statutory Audit	2.94
Other Services including reimbursement of expenses	1.44
Total	**4.38**

- The credit rating assigned by ICRA Limited as on 31st March, 2019 was "B+" rating for the Long term loan and "A4" for Short term Non-Fund Based Limits, which indicates "negative" outlook.

Web-link for policies

Code of Conduct

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

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

Determining Material Subsidiaries

The policy for determining material subsidiaries has been put up on the website of the Company viz.

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

Compliance of Corporate Governance Requirements

Company confirms the compliances with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b to i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as on 31st March, 2019.

Disclosures with respect to Unpaid/Unclaimed Dividend

Company has not declared dividend during the year under review. However, unclaimed dividend for the Financial Year 2011-12 and onwards will be deposited with the IEPF as per the following schedule:-

Dividend for the year	Date of declaration of dividend	Dividend Details (Amount in Rs. Lakhs)	Amount of unpaid dividend	Due date to claim the dividend	Due date of transfer to Unpaid Dividend Account	Due date of accepting claim by the Company	Date for transfer to IEPF
2014-15	30-09-2015	248.83	928	30-10-2015	06-11-2015	05-11-2022	05-12-2022
2013-14	30-09-2014	248.82	4794	30-10-2014	06-11-2014	05-11-2021	05-12-2021
2012-13	30-09-2013	229.02	2264	30-10-2013	06-11-2013	05-11-2020	05-12-2020
2011-12	25-09-2012	217.53	24806	25-10-2012	01-11-2012	31-10-2019	01-12-2019

As per the provisions of the IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts of dividend on the website of the Company viz.www.flexituff.com.

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 Exchange. The Company also posts its financial results on its website i.e. www.flexituff.com.

Website

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

NEAPS & BSE Corporate Compliance & Listing Centre

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

Mail

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

7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 18th September, 2019

Day : Wednesday

Time : 12.30 pm

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

Financial Year

Year ending : 31st March, 2019

Dividend payment : Nil

Listing on stock exchanges

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

Company has made payment of listing fees to both the Stock Exchanges on time.

Corporate Identification Number (CIN):

L25202 MP1993 PLC03 4616

Market Price Data

High, low (based on monthly closing prices) and number of equity shares traded during each month in the year 2018-19 on BSE Limited and National Stock Exchange of India Limited:-

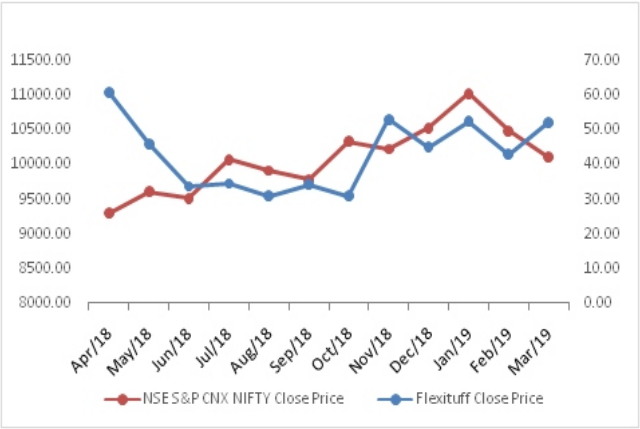
Month and Year	BSE			NSE		
	High (Rs.)	Low (Rs.)	Traded Quantity	High (Rs.)	Low (Rs.)	Traded Quantity
Apr-18	72.80	52.10	54740	71.00	52.35	253337
May-18	62.45	45.15	20165	64.95	44.15	101201
Jun-18	46.00	31.40	153847	46.85	32.00	192110
Jul-18	35.40	30.55	20624	35.30	29.30	73234
Aug-18	37.90	29.45	13719	36.90	28.40	64689
Sep-18	50.20	30.55	54922	50.60	29.65	172816
Oct-18	34.60	27.40	76795	34.00	28.00	45566
Nov-18	53.15	31.00	45647	54.50	30.00	124468
Dec-18	55.50	44.00	7444	55.70	42.80	25502
Jan-19	66.85	42.60	84593	66.30	42.40	140707
Feb-19	52.50	40.20	6925	52.55	38.55	53259
Mar-19	50.50	40.70	5783	52.90	41.05	56552

Performance in comparison to BSE-Sensex and NSE-Nifty

Performance in comparison to BSE-Sensex



Performance in comparison to NSE-Nifty



Registrar and Share Transfer Agent

LinkIntime India Private Limited

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

Vikhroli (West), Mumbai - 400083

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

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar and Share Transfer Agent (RTA) within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Company obtains a half-yearly compliance certificate from a Company Secretary in Practice and Registrar & Transfer Agents as required under the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE Limited & National Stock Exchange of India Limited.

Distribution of equity shareholding as on 31st March, 2019

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

No. of equity shares held	No. of share holders	% of share holders	No. of share held	% of total shares held	Amount (In Rs.)
1 to 500	2386	82.4749	277198	1.1140	2771980
501 to 1000	217	7.5009	173701	0.6981	1737010
1001 to 2000	108	3.7331	157618	0.6334	1576180
2001 to 3000	41	1.41672	99687	0.4006	996870
3001 to 4000	12	0.4148	43649	0.1754	436490
4001 to 5000	13	0.4494	61785	0.2483	617850
5001 to 10000	32	1.1061	256319	1.0301	2563190
10001 and above	84	2.9036	23812849	95.7000	238128490
Total	**2894**	**100.00**	**24882806**	**100.00**	**248828060**

Categories of equity shareholders as on 31st March, 2019

Category	No. of Equity Shares held	Percentage of holding (%)
Indian Promoters (Corporates)	8181603	32.88
Banks, FIs, Insurance Companies	1993388	8.01
Foreign Portfolio Investors (Corporate)	231110	0.93
Other Bodies Corporate	7776925	31.26
Foreign Companies	4037914	16.23
Non Resident	14760	0.06
Clearing Members	25205	0.10
Hindu Undivided Family	57715	0.23
NBFCs Registered with RBI	10000	0.04
Public	2546586	10.23
Relatives of Director	7600	0.03
Grand Total	**24882806**	**100.00**

Dematerialization of Shares and Liquidity

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31st March 2019, 95.46% equity shares are in Demat form and remaining 4.52 % 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 Intime 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 fallen due on 26th April, 2018. On the request of the Company, TPG extended the said repayment to 30th June, 2018 and thereafter for a period of Forty-Eight (48) Months from 30th June, 2018 on revised terms & conditions as mutually agreed between Company & TPG and approved by Authorized Dealer & RBI.

- 5.34% Foreign Currency Convertible Bonds (the "FCCBs") of USD 9 Million issued to International Finance Corporation ("IFC") convertible at the option of Bondholder into fully paid up equity shares of the Company at a price of Rs. 230/- per equity share were fallen due on 29th January, 2019, The Company has defaulted in repaying the said FCCBs as on due date, the proposal for extending the repayment is under consideration with IFC.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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

Plant locations

SEZ Unit

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

Dist. Dhar - 454775,

Madhya Pradesh

DTA Unit

94, Industrial Area, Sector - I, Pithampur

Dist. Dhar - 454775

Madhya Pradesh

Kashipur Unit

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

Dist. Udhamsingh Nagar - 244713

Uttrakhand

Barwaha Unit

58/1, Jaimalpura, Maheshwar Road, Barwaha

Dist. Khargone - 451115

Madhya Pradesh

Address for Correspondence

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

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

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

Registered Office:

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

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

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

8. PCS CERTIFICATE ON CORPORATE GOVERNANCE

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

9. PCS CERTIFICATE ON NON - DISQUALIFICATION OF DIRECTORS

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

10. CEO AND CFO CERTIFICATION

The annual certificate given by the Executive Director and the Chief Financial Officer is published in this report.

11. SERVICE OF DOCUMENTS IN ELECTRONIC FORM

In order to conserve paper and environment, the Ministry of Corporate Affairs (MCA), Government 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.

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

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

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

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

Date: 24.05.2019
Place: Pithampur

ED/CFO CERTIFICATION

We hereby certify that:

a) We have reviewed the Audited Standalone & Consolidated Financial Statements & the Cash Flow statement for the year ended 31st March, 2019 and to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2019 are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee, and steps have been taken to rectify these deficiencies.

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

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

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

Saurabh Kalani
Whole-Time Director

Ajay Mundra
Chief Financial Officer

Date: 24.05.2019
Place: Pithampur

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

To,

The Members

Flexituff Ventures International Limited

We have examined the compliance of conditions of Corporate Governance by Flexituff Ventures International Limited (The Company), for the year ended March 31, 2019, as stipulated in Regulation 34 (3) read with Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Date: 24.05.2019
Place: Indore

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Flexituff Ventures International Limited [formerly known as Flexituff International Limited] ("the Company"),which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equityand its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section143(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 Ethicsissued 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 the reunder, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How was the Key Audit Matter addressed in the audit
Impairment of Cash Generating Unit (CGU): (Refer Note 2.5 of the standalone financial statements) The Kashipur cluster has significant tangible and intangible asset base. There is a risk that this cash generating unit ('CGU') may not achieve the anticipated business performance to support its carrying value, leading to an impairment charge. Significant judgement is required in forecasting the future cash flows of CGU, together with the rate at which they are discounted, which have an element of inherent risk. Due to the significant judgement involved in determining key assumptions such as future sales growth, EBITDA margins and discount rates, and the magnitude of the assets under consideration, we have considered this as a Key Audit Matter.	**Our Audit procedures in respect of this area included:** ● Understand the commercial prospects of the assets and the methodology applied by the management in performing its impairment test for the CGU; ● Assessed the Management's valuation assumptions for the cash flow projections such as discount rates, future sales growth and EBITDA margins; ● Assessed the inputs based on insights, experience and reviewed the discount rate applied with the assistance of the valuation experts; ● Verified the mathematical accuracy and performed sensitivity analysis on the Company's forecasts and determined whether adequate headroom remained.
Utilisation of Minimum Alternate Tax Credit recognised in the books: (Refer Note 2.10, 3.1 (a) and 37 of the standalone financial statements) Minimum Alternate Tax (MAT) credit is recognised 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	**Our Audit procedures in respect of this area included:** Evaluated management's assumptions and key estimates with respect to the projections supporting sufficient future taxable profit in order to support the carry forward of MAT credit asset.

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.

There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which MAT credit asset is recognised and carried forward.

We have considered this as Key Audit Matter due to the uncertainty and management estimation involved in assessing the future taxable profits.

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

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

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

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

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so faras it appears from our examination of those books.

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31,2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of ourinformation and according to the explanations given to us:

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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

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

Amrish Vaidya
Partner
Membership No.: 101739

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration No. 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

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

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

Amrish Vaidya
Partner
Membership No.: 101739

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration
No. 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FORMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED) FOR THE YEAR ENDED MARCH 31, 2019

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

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

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

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

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

iii. The Company has granted loans, secured or unsecured to Companies, Limited Liability Partnerships (LLP) and Joint Ventures covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

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

(b) In case of the loans granted to the Companies, LLPs, Joint Ventures listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.

(c) There are no amounts overdue for more than ninety days in respect of the loan granted to Companies, LLPs, Joint Ventures listed in the register maintained under section 189 of the Act.

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

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

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues were in arrears, as at March 31, 2019 for a period of more than six months from the date they became payable.

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

(Amount in Million)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax, penalty and interest there on	10.12	--	AY 2003 - 04	Honorable Madhya Pradesh High Court
		16.70	14.95	AY 2005-06 to AY 2007-08, AY 2010-11 and AY 2012-13 to AY 2016-17	Appellate Authority Commissioner's Level
		76.69	28.97	AY 2004-05, AY 2005-06 and AY 2012-13	Income Tax Appliate Tribunal
Central Sales Tax Act, 1956	Sales Tax	1.61	--	FY 2010-11 to 2015-16	Appellate Authority - Additional Commissioner of Commercial Tax, Indore Division
		0.10	--	FY 2006-07 and FY 2009-10	Appellate Board, M.P. Tax Tribunal Bhopal
		32.29	9.33	FY 2009-10 to 2014-15	Appellate Authority - Commissioner's Level, Haldwani
M.P. Commercial Tax, 1994	Sales Tax	8.13	2.73	FY 2006-07 and FY 2009-10	Appellate Board, M.P. Tax Tribunal Bhopal
		4.33	1.22	FY 2011-12, 2013-14, 2015-16 and 2016-17	Appellate Authority - Additional Commissioner of Commercial Tax, Indore Division
M.P. Entry Tax Act, 1976	Entry Tax	13.52	6.01	FY 2006 - 07 to FY 2009 - 10	Appellate Board, M.P. Tax Tribunal Bhopal
		0.38	0.09	FY 2010 - 11	Appellate Authority - Additional Commissioner of Commercial Tax, Indore Division
Uttarakhand VAT Act, 2005	Sales Tax	11.82	8.92	FY 2012 - 13 to FY 2014 - 15 and FY 2016 - 17	Appellate Authority - Commissioner's Level - Haldwani
Customs Act, 1962	Custom Duty, penalty and interest thereon	0.96	0.35	FY 2004 -05	Custom, Excise and Service Tax Appellate Tribunal, Kandla
Central Excise Act, 1944	Excise Duty, penalty and interest thereon	11.82	--	FY 2015-16	Custom, Excise and Service Tax Appellate Tribunal, New Delhi

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

(Amount in Million)

Particulars	Amount of default as at March 31, 2019	Period of default from
Name of the lenders in case of:		
Financial Institution:		
1. KKR India Financial Services Private Limited	99.90	February 28, 2019
2. IFCI Limited	25.00	March 15, 2019
3. IFCI Venture Capital Funds Ltd.	7.58	February 28, 2019
4. IFCI Venture Capital Funds Ltd.	7.58	March 31, 2019
5. International Finance Corporation	622.54	January 31, 2019
Bank:		
Central Bank of India	12.50	March 31, 2019

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company does not have any outstanding debentures during the year.

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

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

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

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

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

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

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

Amrish Vaidya
Partner
Membership No.: 101739

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration
No. 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of Flexituff Ventures International Limited [formerly known as Flexituff International Limited] ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due

to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Amrish Vaidya
Partner
Membership No.: 101739

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration
No. 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

STANDALONE BALANCE SHEET as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
ASSET			
Non-current assets			
Property, plant and equipment	5	5,490.86	5,857.63
Other intangible assets	6	577.38	532.44
Investment in subsidiaries and LLPs	7	12.99	13.09
Financial assets			
Investments	8	0.01	-
Other financial assets	9	228.89	253.06
Non-current tax assets (net)	10	38.42	38.90
Other non-current assets	11	32.07	31.49
Total non-current assets		**6,380.62**	**6,726.61**
Current assets			
Inventories	12	1,495.51	1,619.54
Financial assets			
Trade receivables	13	3,862.89	3,627.42
Cash and cash equivalents	14	37.53	70.21
Bank balances other than cash and cash equivalent	15	158.99	88.37
Loans	16	383.59	300.77
Other current financial assets	17	49.53	47.55
Current tax assets (net)	18	15.17	11.63
Other current assets	19	1,698.54	1,073.63
Total current assets		**7,701.75**	**6,839.12**
Total assets		**14,082.37**	**13,565.73**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	248.83	248.83
Other equity	21	3,435.62	3,593.86
Total equity		**3,684.45**	**3,842.69**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	2,858.55	2,188.69
Provisions	23	53.69	64.53
Deferred tax liability (net)	37	36.20	100.31
Total non-current liabilities		**2,948.45**	**2,353.53**
Current liabilities			
Financial liabilities			
Borrowings	24	2,649.92	2,636.88
Trade payables	25		
a) Outstanding dues to micro enterprises and small enterprises		-	-
b) Outstanding dues to creditors other than micro enterprises		2,502.36	1,893.25
Other current financial liabilities and small enterprises	26	2,167.09	2,676.37
Provisions	27	1.99	2.42
Other current liabilities	28	128.11	160.59
Total current liabilities		**7,449.47**	**7,369.51**
Total liabilities		**10,397.92**	**9,723.04**
Total equity and liabilities		**14,082.37**	**13,565.73**
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements.	2		

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Ajay Mundra
Chief Finance Officer

Place: Pithampur
Date: May 24, 2019

Anand Khandelwal
Whole time director
DIN: 07889346

Khushboo Kothari
Company Secretary
Membership No: F10081

STANDALONE STATEMENT OF PROFIT AND LOSS as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
Income			
Revenue from operations	29	11,748.13	11,548.48
Other income	30	268.86	317.61
Total income		**12,016.99**	**11,866.09**
Expenses			
Cost of material consumed	31	6,438.02	5,507.16
Purchase of stock-in-trade		441.77	1,119.65
Changes in inventories of finished goods, stock-in-trade	32	126.42	(113.31)
and work-in-progress			
Excise duty		-	14.34
Employee benefits expense	33	1,963.74	1,963.17
Finance costs	34	1,089.77	1,104.59
Depreciation and amortization expense	35	704.08	747.72
Other expenses	36	1,468.83	1,513.70
Total expenses		**12,232.63**	**11,857.02**
(Loss)/Profit before tax		**(215.64)**	**9.07**
Income tax expense / (credit)	**37**		
Current tax (MAT)		-	0.86
Less: MAT credit entitlement		-	(1.34)
MAT charge of previous year		-	0.26
Less: MAT credit entitlement of previous year		(0.26)	-
Income Tax charge for previous years		5.75	-
Deferred tax charge / (benefit) (excluding MAT credit entitlement)		(63.63)	32.99
Total income tax (credit) / expense		(57.88)	32.51
Net Loss for the year		**(157.76)**	**(23.44)**
Other comprehensive income / (loss)			
Items that will not to be reclassified to profit or loss			
Re-measurement (loss) / gain on defined benefit plans		(0.69)	4.93
Income tax effect on above		0.22	(0.47)
Other comprehensive income for the year		**(0.48)**	**4.46**
Total comprehensive loss for the year		**(158.24)**	**(18.98)**
Loss per share (face value of Rs.10/- each):			
Basic loss per share (INR)	38	(6.34)	(0.94)
Diluted loss per share (INR)	38	(6.34)	(0.94)
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements	2		

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W
Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W
Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Anand Khandelwal
Whole time director
DIN: 07889346

Ajay Mundra
Chief Finance Officer

Khushboo Kothari
Company Secretary
Membership No: F10081

Place: Pithampur
Date: May 24, 2019

STANDALONE CASH FLOW STATEMENT for the year ended 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
Cash flows from operating activities			
(Loss)/Profit before tax		(215.64)	9.07
Adjustments for:			
Depreciation and amortization expenses		704.08	747.72
Interest and finance charges		1,089.77	1,104.59
Interest income		(67.39)	(54.42)
Gain on sale of subsidiary		(20.53)	-
Amortisation of Government Grants		(15.03)	
Provision for doubtful debts		17.67	(6.49)
Bad debts		-	35.39
Loss on sale of property, plant & equipment (net)		5.93	0.05
Unrealized foreign exchange gain (net)		(37.47)	(83.37)
Provision for retirement benefits		(0.48)	4.46
Operating profit before working capital changes		**1,460.91**	**1,757.00**
Changes in working capital			
Increase/(decrease) in trade payables		609.11	351.24
Increase/(decrease) in other liabilities		(32.99)	59.10
Increase/(decrease) in other financial liabilities		64.93	(40.31)
Increase/(decrease) in provisions		(11.26)	(11.09)
Decrease/(increase) in trade receivables		(215.16)	372.37
Decrease/(increase) in inventories		124.03	(97.57)
Decrease/(increase) in other assets		(625.49)	(371.27)
Decrease/(increase) in other financial assets		(8.08)	(24.73)
Decrease/(increase) in Loans		(82.82)	(132.40)
Decrease/(increase) in other cash and cash equivalents		(70.62)	37.08
Cash generated from operations		**1,212.56**	**1,899.42**
Income tax paid		(9.29)	(23.67)
Net cash inflows from operating activities (A)		**1,203.27**	**1,875.75**
Cash flows from Investing activities			
Payments for property, plant and equipment and intangible assets (net)		(388.18)	(475.22)
Receipts of Government Grants		25.81	-
Interest received		69.03	64.32
Proceeds from sale of subsidiary		20.63	-
Payments for Investments in joint venture		-	(0.10)
Payments for purchase of Investments		(0.01)	-
Net proceeds from fixed deposits (having original maturity of more than 3 months)		28.63	(55.78)
Net cash outflow from investing activities (B)		**(244.09)**	**(466.78)**
Cash flows from Financing activities			
Repayment of long-term borrowings		(634.66)	(395.15)
Proceeds from long-term borrowings		669.21	113.32
Net proceeds from short-term borrowings		(28.62)	39.18
Net proceeds of Working capital demand loan from banks, cash credit and packing credit		41.66	(125.37)
Interest and finance charges paid		(1,039.45)	(1,099.77)
Net cash outflow from financing activities (C)		**(991.86)**	**(1,467.79)**
Net decrease in cash and cash equivalents (A+B+C)		**(32.68)**	**(58.82)**
Cash and cash equivalents at the beginning of the year		70.21	129.03
Cash and cash equivalents at the end of the year		**37.53**	**70.21**
Cash and cash equivalents comprise (refer note 14)			
Balances with banks in current accounts		34.79	32.71
Fixed deposits with maturity of less than 3 months		0.94	34.01
Cash on hand		1.80	3.49
Total		**37.53**	**70.21**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Following is the analysis of net debt and movements in debt for each of the year

Net Debt Reconciliation:	31 March 2019	31 March 2018
	Borrowings #	Borrowings #
Opening Balance	7,272.61	7,635.81
Cash Flows	(103.06)	(330.08)
Foreign exchange adjustments	150.65	(37.94)
Interest Expense *	1,089.77	1,104.59
Interest Paid *	(1,039.45)	(1,099.77)
Closing Balance	7,370.52	7,272.61

Borrowings comprise of current and non current borrowings and finance lease obligations. Borrowings also include interest accrued but not due on borrowings

* Interest expense and interest paid related to borrowings and finance leases.

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Anand Khandelwal
Whole time director
DIN: 07889346

Ajay Mundra
Chief Finance Officer

Khushboo Kothari
Company Secretary
Membership No: F10081

Place: Pithampur
Date: May 24, 2019

STANDALONE STATEMENT OF CHANGES OF EQUITY for the Year ended March 2019

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

	As at 31 March 2019		As at 31 March 2018	
(A) Equity share capital	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity shares of Rs.10 each issued, subscribed and fully paid				
Opening	24.88	248.83	24.88	248.83
Add: issued during the year	-	-	-	-
Closing	24.88	248.83	24.88	248.83
(B) Other equity	**Reserves & Surplus**			
	Securities premium	**General reserve**	**Retained earnings**	**Total**
Balance as at 1 April 2017	2,055.07	114.24	1,443.53	3,612.84
Loss for the year	-	-	(23.44)	(23.44)
Other comprehensive income	-	-	4.46	4.46
Total comprehensive loss for the year	-	-	(18.98)	(18.98)
Balance as at 31 March 2018	**2,055.07**	**114.24**	**1,424.55**	**3,593.86**
Balance as at 1 April 2018	2,055.07	114.24	1,424.55	3,593.86
Loss for the year	-	-	(157.76)	(157.76)
Other comprehensive loss	-	-	(0.48)	(0.48)
Total comprehensive loss for the year	-	-	(158.24)	(158.24)
Balance as at 31March 2019	**2,055.07**	**114.24**	**1,266.31**	**3435.62**

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

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Anand Khandelwal
Whole time director
DIN: 07889346

Ajay Mundra
Chief Finance Officer

Khushboo Kothari
Company Secretary
Membership No: F10081

Place: Pithampur
Date: May 24, 2019

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

SIGNIFICANT ACCOUNTING POLICIES

1 General Information

"Flexituff Ventures International Limited ("the Company") is engaged in the business of technical textile. Manufacturing units of the Company are located at Pithampur in Madhya Pradesh and at Kashipur in Uttarakhand. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the Company is located at C-41 50, SEZ, Sector - 3, Pithampur, Madhya Pradesh- 454 775.These financial statements were authorised for issue by the Board of Directors on 24 May 2019.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

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

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

(b) Basis of measurement

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

i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value.

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

(c) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

(d) Current / non current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

(e) Use of estimates

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

(f) Rounding off of amounts

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

2.2 Property, plant and equipment

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

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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

Depreciation methods, estimated useful lives

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

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

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

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

2.3 Intangible assets Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under Intangible assets under development.

"Amortisation method and periods

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

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

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

2.4 Research and development expenditure

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

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

"- it is technically feasible to complete the asset so that it will be available for use- management intends to complete the asset to use it or sell it- there is an ability to use or sell the asset- it can be demonstrated how the asset will generate probable future economic benefits- adequate technical, financial and other resources to complete the development and to use or sell the asset are available and- the expenditure attributable to the asset during its development can be reliably measured"

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

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

2.5 Impairment of non financial assets

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

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

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

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

2.6 Foreign currency transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

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

2.7 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: ? In the principal market for the asset or liability, or ? In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: ? Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities ? Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable ? Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.8 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

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 in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and 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.

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
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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 activity 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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
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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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
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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 Derivative financial Instruments

The Company 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.

2.19 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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
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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.

2.20 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.

2.21 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

2.22 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.

2.23 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.

2.24 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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
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disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

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

(a) Taxes

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

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

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

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

(c) Intangible asset under development

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

(d) Foreign currency convertible bonds (FCCB)

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

4 Standards (including amendments) issued but not yet effective

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

(a) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

(b) Ind AS 116 'Leases': On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single

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lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

(c) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(d) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its standalone financial statements.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
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5 Property, Plant and equipment

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

	Gross block					Depreciation				Net block
	As at 1 April 2017	Additions	Exchange Difference	Deductions	As at 31 March 2018	As at 1 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018
Owned assets										
Freehold land	161.73	-	-	-	161.73	-	-	-	-	161.73
Leasehold land	21.50	-	-	-	21.50	0.26	0.26	-	0.52	20.98
Buildings	1,123.43	26.67	1.07	-	1,151.17	44.05	44.54	-	88.59	1,062.58
Plant and machinery	5,342.39	222.40	5.92	0.38	5,570.33	518.61	586.44	0.08	1,104.97	4,465.36
Laboratory equipments	169.92	11.29	-	-	181.22	45.01	35.95	-	80.96	100.26
Furniture and fixtures	23.20	3.05	-	-	26.25	6.80	5.14	-	11.94	14.31
Office equipment	21.36	1.94	-	-	23.30	3.99	4.76	-	8.75	14.55
Vehicles	15.19	5.65	-	5.30	15.55	1.99	2.77	4.01	0.75	14.80
Computers	7.67	1.58	-	-	9.26	2.93	3.27	-	6.20	3.06
Total	**6,886.42**	**272.59**	**6.98**	**5.68**	**7,160.31**	**623.64**	**683.13**	**4.09**	**1,302.68**	**5,857.63**

Note:

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

6 Other intangible assets

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

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	Gross block					Amortisation				Net block
	As at 1 April 2017	Additions internally developed	Additions	Deductions	As at 31 March 2018	As at 1 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018
Other intangible assets										
Patents	0.36	-	-	-	0.36	0.10	0.10	-	0.20	0.16
Computer software	3.86	-	0.18	-	4.04	0.98	1.35	-	2.33	1.71
Development asset	192.81	-	178.64	-	371.45	61.21	63.14	-	124.35	247.10
Intangible asset under development	303.04	159.07	-	178.64	283.47	-	-	-	-	283.47
Total	**500.07**	**159.07**	**178.82**	**178.64**	**659.32**	**62.29**	**64.59**	**-**	**126.88**	**532.44**

7 Investment in Subsidiaries and LLPs	31 March 2019	31 March 2018
Investment in subsidiaries		
- Equity instruments at cost (unquoted)		
200,000 (31 March 2018: 200,000) Equity shares of Euro 1 each fully paid-up in Flexiglobal Holding Ltd., Cyprus	12.52	12.52
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid-up in Nanofil Technologies Private Limited (Refer Note 49)	-	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid-up in Flexituff Technology International Limited (Formely known as FIBC Limited)	0.10	0.10
Investments in Limited Liability Partnerships (LLPs) through capital contribution at cost:		
Flexituff SA Enterprises LLP	0.08	0.08
Flexituff Javed LLP	0.08	0.08
Flexituff Hi Tech LLP	0.08	0.08
Ujjivan Luit LLP	0.05	0.05
Flexituff Sailendra Kalita LLP	0.08	0.08
Total investment in subsidiaries and LLPs	12.99	13.09

8 Investments	31 March 2019	31 March 2018
Investment in equity shares at fair value through profit and loss		
Unquoted		
1,100 (31 March 2018: Nil) Equity Shares of Rs. 10 each fully paid-up in Neemuch Solid Waste Management Private Limited	0.01	-
Total investments	**0.01**	**-**
Aggregate book value of:		
Unquoted investments	13.00	13.09
Aggregate market value of:		
Unquoted investments	13.00	13.09
Aggregate amount of impairment in value of investments	**-**	**-**

9 Non-current financial assets - others	31 March 2019	31 March 2018
Fixed deposits with maturity for more than 12 months from balance sheet date "	127.32	155.95
Security deposits	101.57	97.11
Total non-current financial assets - others	**228.89**	**253.06**

10 Non-current tax assets (net)	31 March 2019	31 March 2018
Advance income tax (net)	38.42	38.90
Total non-current tax assets (net)	**38.42**	**38.90**

11 Other non-current assets	31 March 2019	31 March 2018
Capital advance	16.88	31.23
Balances with government authorities	0.25	0.26
Prepaid expenses	14.94	-
Total other non-current other assets	**32.07**	**31.49**

12 Inventories *	31 March 2019	31 March 2018
(valued at lower of cost and net realizable value)		
Raw materials and components	144.53	125.36
Raw materials in transit	20.83	5.26
Work in progress	562.85	267.90
Finished goods	651.90	1,073.26
Consumables	57.52	127.93
Store and spares parts including packing material	**57.88**	**19.83**
	1,495.51	**1,619.54**

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

Write-downs of inventories (net of reversal)to net realisable value amounted to Rs. 1.50 Million (31 March 2018 - Rs. 3.42 million). these were recognised as an expense during the year and included in charges in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

*** Hypothecated as charge against borrowings. Refer Note 22 and 24**

13	**Trade receivables**	**31 March 2019**	**31 March 2018**
	Trade receivables	2,937.49	3,296.66
	Receivables from related parties (Refer Note 42)	961.89	349.58
	Less: Loss Allowance	(36.49)	(18.82)
	Total trade receivables	**3,862.89**	**3,627.42**
	Break-up of security details		
	Trade receivables considered good – Secured	-	-
	Trade receivables considered good – Unsecured	3,899.38	3,646.24
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables – credit impaired	-	-
	Total	**3,899.38**	**3,646.24**
	Loss allowance	**(36.49)**	**(18.82)**
	Total trade receivables	**3,862.89**	**3,627.42**
14	**Cash and cash equivalents**	**31 March 2019**	**31 March 2018**
	Balances with banks		
	- in current accounts	34.79	32.71
	- fixed deposits with maturity of less than three months	0.94	34.01
	Cash on hand	1.80	3.49
	Total cash and cash equivalents	**37.53**	**70.21**
15	**Bank balances other than cash and cash equivalent**	**31 March 2019**	**31 March 2018**
	Fixed deposit with maturity for more than three months butless than twelve months from balance sheet date	158.98	88.36
	Unpaid dividend accounts	0.01	0.01
	Total bank balances other than cash and cash equivalent	**158.99**	**88.37**
16	**Current financial assets - loans**	**31 March 2019**	**31 March 2018**
	Unsecured, considered good		
	Loans to related parties (Refer Note 42)	383.59	300.77
	Total current financial assets - loans	383.59	300.77
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	383.59	300.77
	Loans which have significant increase in credit risk	-	-
	Loans – credit impaired	-	-
	Total Loans	**383.59**	**300.77**
17	**Current financial assets - others**	**31 March 2019**	**31 March 2018**
	Accrued interest	7.76	9.40
	Advance to staff	8.10	8.67
	Advance recoverable in cash	1.43	6.50
	Security deposit	26.53	22.98
	Others	5.71	-
	Total current financial assets - others	**49.53**	**47.55**
18	**Current tax Assets**	**31 March 2019**	**31 March 2018**
	Current tax Assets	**15.17**	**11.63**

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19	Other current assets	31 March 2019	31 March 2018
	Advance to suppliers	1,033.27	219.08
	Balance with government authorities	611.33	776.46
	Deposits with government authorities	33.35	41.06
	Advance to employees	8.76	2.67
	Prepaid expenses	11.83	34.36
	Total other current assets	**1,698.54**	**1,073.63**

20	Equity share capital	31 March 2019	31 March 2018
	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		
	Authorized		
	40,000,000 (31 March 2018: 40,000,000) Equity Shares of Rs.10 each	400.00	400.00
	Total	**400.00**	**400.00**
	Issued, subscribed and paid up		
	24,882,806 (31 March 2018: 24,882,806) equity shares of Rs.10 each fully paid	248.83	248.83
	Total	**248.83**	**248.83**

	31 March 2019		31 March 2018	
	Number of shares in millions	Amount	Number of shares in millions	Amount
(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year				
Outstanding at the beginning of the year	24.88	248.83	24.88	248.83
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**24.88**	**248.83**	**24.88**	**248.83**

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2018: 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.

	31 March 2019		31 March 2018	
	Number of shares in millions	Amount	Number of shares in millions	Amount
(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company Name of the shareholder				
1. Kalani Industries Pvt Ltd	3.62	14.55%	3.62	14.55%
2. International Finance Corporation	1.90	7.64%	1.90	7.64%
3. Saurabh Properties Pvt Ltd	1.64	6.59%	1.64	6.59%
4. Miscellani Global Pvt Ltd	1.36	5.47%	1.36	5.47%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

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21	Other equity	31 March 2019	31 March 2018
	Securities premium	2,055.07	2,055.07
	General reserve	114.24	114.24
	Retained earnings	1,266.31	1,424.55
	Total other equity	3,435.62	3,593.86

Nature and purpose of other reseves

Securities premium	Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
General reserve	The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.
Retained earnings	All other net gains, losses and transactions with owners (eg: dividends) not recognised elsewhere.

		31 March 2019	31 March 2018
(a)	**Securities premium**		
	Opening balance	2,055.07	2,055.07
	Add : Securities premium credited on share issue	-	-
	Closing balance	**2,055.07**	**2,055.07**
(b)	**General reserve**		
	Opening balance	114.24	114.24
	Addition during the year	-	-
	Closing balance	**114.24**	**114.24**
(c)	**Retained earnings**		
	Opening balance	1,424.55	1,443.53
	Add: Net loss for the year	(157.76)	(23.44)
	Less: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	(0.48)	4.46
	Closing balance	1,266.31	1,424.55
	Total other equity	**3,435.62**	**3,593.86**

22	Non-current borrowings	31 March 2019	31 March 2018
	Secured		
	- Term loans		
	From banks (refer note (a) and (c) below)	5.64	52.30
	From other parties (refer note (a) and (c) below)	783.89	1,304.07
		789.53	**1,356.37**
	Unsecured		
	Foreign Currency Convertible Bonds (refer note (b) below)	1,400.72	584.12
	Long term maturities of finance lease obligations	34.57	65.82
	- Other loans		
	From a related party	550.00	-
	Foan from other parties	83.74	182.38
		2,069.02	**832.32**
	Total long term borrowings	**2,858.55**	**2,188.69**

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a. Terms of secured borrowings are as under:

Description	Rate of interest	As at 31 March, 2019 (Rs. In Millions)	As at 31 March, 2018 (Rs. In Millions)	Terms of Repayment
Central bank of India	Nil (31 March 2018 : 12.55%)	-	11.60	Fully Repaid during the year ended 31 March 2019
Central Bank of India	13.90% (31 March 2018 : 12.55%)	61.70	111.70	There was a default in repayment of one instalment of Rs. 12.50 million during the quarter ended 31 March 2019. In addition to this default; it is payable in three quarterly instalment of Rs. 12.50 million each and one last instalment of Rs. 11.70 million. Date of last instalment is 1 March 2020.
KKR India Financial Services Private Limited, Mumbai	15.25% (31 March 2018 : 15.25%)	1,000.50	1,380.10	There was a default in repayment of one instalment of Rs. 99.90 million during the quarter ended 31 March 2019. In addition to this default; it is payable in eight quarterly instalment of Rs. 99.90 million each and one last instalment of Rs. 101.40 million. Date of last instalment is 30 May 2021.
Clix Capital Services Private Limited (Formerly known as GE Money Financial Services Private Limited)	14.65% (31 March 2018 : 14.65%)	-	15.16	Fully Repaid during the year ended 31 March 2019
IFCI Limited	13.15% (31 March 2018 : 13.15%)	464.97	500.00	There was a default in repayment of one instalment by Rs. 25.00 million during the quarter ended 31 March 2019. In addition to this default; it is payable in one quarterly instalment of Rs. 30.00 million and thereafter in four quarterly instalment of Rs. 35.00 million each and thereafter in three quarterly instalment of Rs. 40.00 million each. Date of last instalment is 15 March 2022.
Total		**1,535.82**	**2,024.69**	
Less: Unamortised processing cost		**22.52**	**37.46**	
Less: Classified under current liabilities		**723.77**	**630.86**	
		789.53	**1,356.37**	

b. Terms of unsecured borrowings are as under:

i Foreign Currency Convertible Bonds

As at March 31 2019, the Company has two foreign currency convertible bonds aggregating USD 31.5 million (31 March 2018 : USD 34 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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

USD 1 on January 30, 2019. The conversion option has not been exercised by the bondholder and the Company is in the process of seeking necessary approval and extension from the bondholder and the Reserve Bank of India for the default in repayment of FCCB.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 current year, the bondholder has provided extension for repayment of said bonds based on revised terms and conditions. The outstanding bonds are convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to revised terms, with fixed rate of exchange of Rs. 54.16 equal to USD 1 up to 24 June 2022. The interest rate has been revised from 5.44% p.a. to 6.94% p.a. Following are the the revised terms of repayment: -"

Description / FCCB Repayment Revised Timeline	Amount in USD in Millions
Repaid during year ended 31 March 2019	2.500
30-Jun-19	1.125
31-Dec-19	1.125
30-Jun-20	2.250
31-Dec-20	2.250
30-Jun-21	4.500
31-Dec-21	5.625
30-Jun-22	5.625

ii Finance Lease obligation

The Company has obtained finance lease from TATA capital and Netsal Mashinen for purchase of plant and machinery at fixed rate of interest 13% p.a. and floating rate of Libor + 2.5% p.a. respectively. The balance of TATA capital lease as on 31 March 2019 amounts to Rs. 58.49 million (including current maturities of Rs. 23.92 million) [31 March 2018 amounts to Rs. 82.65 million (including current maturities of Rs. 16.84 million)] repayable in monthly installments up to September 2022. The balance of Nestal Mashinen lease as on 31 March 2019 amounts to Rs. Nil [31 March 2018 amounts to Rs. 8.81 million, classified entirely to current maturities].

iii Other loans

Other loans are repayable over a period ranging between 15 to 45 months and has rate of interest ranging from 14% to 17.5% p.a.

c. Nature of security :

Term loans from banks and term loans from other parties are secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets and a second charge on all current assets of the company. Above Term loans are further secured by Personal Guarantee of Mr. Saurabh Kalani, Mr. Manish Kalani, corporate guarantee of Kalani Industries Private Limited.

Fourteen third parties have pledged their shareholding in the Company aggregating to 9,751,107 shares against term loans from banks and term loans from other parties. One related party has pledged its shareholding in the Company aggregating to 3,621,730 shares against foreign currency convertible bonds.

d. Period and amount of default:

During the year ended March 31, 2019 the Company has defaulted in repayment of following dues:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

Name of Lenders	Amount of default in Rs. Millions as at March 31, 2019	Period of default from
Financial Institution:		
1. KKR India Financial Services Private Limited	99.90	February 28, 2019 #
2. IFCI Limited	25.00	March 15, 2019 #
3. IFCI Venture Capital Funds Ltd.	7.58	February 28, 2019 #
4. IFCI Venture Capital Funds Ltd.	7.58	March 31, 2019
5. International Finance Corporation	622.54	January 31, 2019
Bank:		
Central Bank of India	12.50	March 31, 2019 #

 # The overdue amount has been paid subsequently by May 15, 2019

23 Long term provisions	31 March 2019	31 March 2018
Provision for employee benefits		
Provision for gratuity (funded) (refer note 40)	31.26	42.34
Provision for compensated absences (unfunded)	22.43	22.19
Total long term provisions	**53.69**	**64.53**

24 Short-term borrowings	31 March 2019	31 March 2018
Secured		
Working capital demand loan from banks, cash credit and packing credit (refer note below)	2,468.67	2427.01
Bills discounted with banks	50.79	102.87
Unsecured		
From other parties (refer note below)	42.35	30.00
Bills discounted	88.11	77.00
Total short-term borrowings	**2,649.92**	**2,636.88**

a. Terms and conditions of loans:

i. Outstanding loans from banks carry interest from 9% to 14% p.a., repayable on demand

ii. Outstanding loans from other parties carry interest ranging from 12% to 15% p.a., repayable within 90 to 120 days

b. Nature of security

i. Outstanding loans are secured by first charge on all current assets viz. raw material, stores & spares, work-in-progress, finished goods and book debts & second charge on all fixed assets of the Compan

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 not made any default in repayment of short term-borrowings

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

25 Trade payables	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,502.36	1,893.25
Total trade payables	**2,502.36**	**1,893.25**

*** The Company does not have any dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:**

	31 March 2019	31 March 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

26 Other financial liabilities	31 March 2019	31 March 2018
Current maturities of long-term debt	1,731.67	2,365.25
Current maturities of finance lease obligations	23.92	25.65
Interest accrued but not due on borrowings	106.46	56.14
Unpaid dividend	0.01	0.01
Employee related payable	273.27	221.65
Government grants #	10.78	-
Employee Security Deposits	15.75	-
Derivative liabilities	-	0.73
Others	5.23	6.94
Total other financial liabilities	**2,167.09**	**2,676.37**

# Government Grants	31 March 2019	31 March 2018
Opening balance	-	-
Grants received during the year	25.81	-
Less: Reclassed to profit or loss	(15.03)	-
Closing balance	**10.78**	**-**

27 Short term provisions	31 March 2019	31 March 2018
Provision for employee benefits		
Provision for compensated absences (unfunded)	1.99	2.42
Total short term provisions	**1.99**	**2.42**

28 Other current liabilities	31 March 2019	31 March 2018
Statutory dues payable	32.67	39.88
Advance received from customers	95.44	120.70
Total other current liabilities	**128.11**	**160.59**

29 Revenue from operations	31 March 2019	31 March 2018
Sale of products		
- Finished goods [including excise duty Nil (31 March 2018: Rs. 14.34 Million)]	10,743.19	10,314.49
- Traded goods	450.72	1,021.64
Sale of services	140.59	6.20
Other operating revenue	413.63	206.15
Total revenue from operations	**11,748.13**	**11,548.48**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

Details of products sold	31 March 2019	31 March 2018
Finished goods sold		
Technical textile (gross of excise duty)	10,743.19	10,314.49
Traded goods sold		
Fabrics & granules	450.72	1,021.64
Unsatisfied long-term contracts		
There are no unsatisfied long term contracts / performance obligation that have impact an financial statements.		
Reconciliation of revenue recognised:		
Gross revenue	11,365.32	
Adjustment for:		
Less : Sales return	30.82	
Less : Discounts / Incentives	-	
Revenue from operations	11,334.50	

30. Other income	31 March 2019	31 March 2018
Interest income on financial assets at amortisation cost - fixed deposits	67.39	54.42
Other non operating income	48.78	58.26
Foreign exchange gain (net)	137.66	198.44
Provisions no longer required written back	-	6.49
Government grants #	15.03	-
Total other income	**268.86**	**317.61**

Government grants are related to Uttar Pradesh Skill Development Mission (Government of Uttar Pradesh, Department of Vocational Education and Skill Development) for placement linked skill development project under Deen Dayal Upadhyaya Grameen Kaushalya Yojna. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.

31	Cost of material consumed	31 March 2019	31 March 2018
(a)	**Raw materials consumed**		
	Inventory at the beginning of the year	125.35	152.48
	Add : Purchases during the year	5,207.66	4,481.08
	Less: Inventory at the end of the year	(165.36)	(125.35)
	Cost of raw material consumed	**5,167.65**	**4,508.21**
(b)	**Consumables consumed**		
	Inventory at the beginning of the year	127.93	76.17
	Add : Purchases during the year	1,199.96	1,050.71
	Less: Inventory at the end of the year	(57.52)	(127.93)
	Cost of consumables consumed	1,270.37	998.95
	Total cost of material consumed (a+b)	**6,438.02**	**5,507.16**
	Details of material consumed		
	Polymer granules	5,167.65	4,508.21
	Yarn	340.20	248.60
	Others	930.17	750.35
	Total	**6,438.02**	**5,507.16**

32	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31 March 2019	31 March 2018
	Inventories at the beginning of the year		
	-Finished goods	1,073.26	799.70
	-Work-in-progress	267.90	428.15
		1,341.16	**1,227.85**
	Less: Inventories at the end of the year		
	-Finished goods	651.90	1,073.26
	-Work-in-progress	562.85	267.90
		1,214.74	1,341.16
	Net decrease/ (increase)	**126.42**	**(113.31)**

33	Employee benefits expense	31 March 2019	31 March 2018
	Salaries, wages, bonus and other allowances	1,758.22	1,752.35
	Contribution to provident and other funds	124.58	132.78
	Gratuity expenses (refer note 40)	26.92	26.79
	Staff welfare expenses	54.02	51.25
	Total employee benefits expense	**1,963.74**	**1,963.17**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

34	**Finance costs**	**31 March 2019**	**31 March 2018**
	Interest expense		
	- On borrowings	936.53	961.14
	- On foreing currency convertible bonds	153.24	143.45
	Total finance costs	**1,089.77**	**1,104.59**

35	**Depreciation and amortization expense**	**31 March 2019**	**31 March 2018**
	Depreciation (refer note 5)	617.70	683.13
	Amortization (refer note 6)	86.38	64.59
	Total depreciation and amortization expense	704.08	747.72

36	**Other expenses**	**31 March 2019**	**31 March 2018**
	Consumption of store & spares parts	130.11	148.55
	Power and fuel	358.23	386.72
	Rent	39.27	36.99
	Repairs and maintenance	22.77	31.67
	Job work charges	235.69	146.69
	Insurance	21.66	22.98
	Rates and taxes	6.54	5.64
	Freight outward	324.15	441.96
	Travelling expenses	67.02	61.63
	Auditor's remuneration (refer note below)	4.38	4.95
	Printing and stationery	5.37	6.21
	Communication expenses	14.96	16.72
	Legal and professional charges	72.76	58.17
	Advertisement and publicity	28.03	26.33
	Commission on sales	18.87	11.38
	Loss on sale of property, plant & equipment (net)	5.93	0.05
	Provision for doubtful debts	17.67	-
	Bad debts written off	-	35.39
	Corporate social responsibility (CSR)	0.80	0.45
	Miscellaneous expenses	94.62	71.22
	Total	**1,468.83**	**1,513.70**

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

	As auditor:	**31 March 2019**	**31 March 2018**
	Statutory audit fees	2.94	2.73
	Limited review	0.70	0.60
	Certification fees	-	0.03
	Tax audit fees	0.65	0.30
	Other services	-	1.27
	Reimbursement of expenses	0.09	0.02
	Total	**4.38**	**4.95**

37	**Income tax**	**31 March 2019**	**31 March 2018**
(A)	**Deferred tax relates to the following:**		
	Deferred tax liabilities		
	On property, plant and equipment	672.28	676.38

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

On unamortised transaction cost on borrowings	3.84	3.27
On others	-	4.05
	676.12	683.70
Deferred Assets		
On provision for employee benefits	(30.29)	(25.84)
On provision for doubtful debts and deferred taxes	(11.39)	(5.81)
On unabsorbed depreciation and carry forward business losses	(301.54)	(251.23)
On capital losses	(16.94)	(21.01)
	(360.16)	(303.89)
Deferred tax liabilities net	315.96	379.81
Minimum Alternative Tax (MAT) entitlement	(279.76)	(279.50)
Total Deferred tax liabilities net	**36.20**	**100.31**

(B) Deferred tax charge / (benefit) to be recognized in Statement of Profit and Loss	**31 March 2019**	**31-March-18**
Deferred tax liabilities (net)	315.96	379.81
Less: Opening Deferred tax liabilities	(379.81)	(346.82)
Add: Deferred tax impact on other comrehensive income	0.22	-
Deferred Tax charge / (benefit) for the year (A)	**(63.64)**	**32.99**
Minimum Alternative Tax (MAT) entitlements:		
Closing balances	(279.76)	(279.50)
Less: Opening balances	(279.50)	(278.16)
MAT credit for the year (B)	(0.26)	(1.34)
Net impact on Statement of profit & loss (A+B)	**(63.89)**	**31.65**

(C) Income tax expense / (credit)	**31 March 2019**	**31-March-18**
Current tax (MAT)	-	0.86
Less: MAT credit entitlement	-	(1.34)
MAT charge of previous year	0.26	-
Less: MAT credit entitlement for earlier year	(0.26)	-
Income Tax charge of previous years	5.75	-
Deferred tax charge /(benefit) (excluding MAT credit entitlement)	(63.64)	32.99
Total	**(57.89)**	**32.51**

(D) Reconciliation of effective tax rate	**31 March 2019**	**31-March-18**
Profit/(Loss) before tax	(215.64)	9.07
Enacted income tax rate in India applicable to the Company	31.20%	30.90%
Tax amount at the enacted income tax rate	(67.28)	2.80
Tax effects of:		
- Permanent disallowance	-	(0.08)
- Adjustment to deferred tax recognised in previous year	-	27.77
- Income Tax charge for previous years	5.75	-
- Adjustment due to long term capital gains taxable at lower rate	2.14	-
- Others	1.52	2.02
Income tax expense / (credit)	**(57.88)**	**32.51**

38 Loss per share	**31 March 2019**	**31 March 2018**
The following reflects the income and share data used in the basic and diluted loss per share computations:		
Loss attributable to equity holders	(157.76)	(23.44)
Add: Interest on Foreign currency convertible bonds*	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(157.76)	(23.44)
Weighted average number of equity shares for basic loss per share	24.88	24.88
Effect of dilution:		
Foreign currency convertible bonds (anti dilutive)	-	-
Weighted average number of equity shares adjusted for the effect of dilution	24.88	24.88
Basic loss per share (INR)	(6.34)	(0.94)
Diluted loss per share (INR)	(6.34)	(0.94)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

*The Company has Foreign currency convertible bonds as potential equity shares, which have been ignored in calculating diluted earning per share since conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities as these are anti-dilutive in nature.

39	Contingent liabilities, Contingent assets and Commitments	31 March 2019	31 March 2018
	Contingent liabilities		
	Corporate guarantees given on behalf of:		
	- Subsidiary	-	0.20
	- Related party	950.00	-
	- Other	20.11	-
	Disputed Demands		
	- Income Tax	97.77	91.02
	- Sales tax / VAT	58.27	56.02
	- Entry tax	13.89	13.89
	- Customs and Excise	12.78	-
	Total contingent liabilities	**1152.82**	**161.13**

Note:

1. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
2. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Contingent assets

Contingent assets as on 31 March 2019: Nil (31 March 2018: Nil)

Commitments	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	15.54	-

40	Employee benefits	31 March 2019	31 March 2018
	The Company has the following employee benefit plans:		
(A)	Defined Contribution Plans: Employers' Contribution to Provident Fund and Employee State Insurance		
	Expense recognised during the year	124.58	132.78
(B)	Defined benefit plan: Gratuity payable to employees		
	Expense recognised during the year	26.92	26.79
i)	**Actuarial assumptions**	**31 March 2019**	**31 March 2018**
	Discount rate (per annum)	7.66%	7.71%
	Rate of increase in Salary	4.00%	4.00%
	Expected average remaining working lives of employees (years)	26.72	27.41
	Attrition rate		
	-upto 30 years	3%	3%
	-31 to 44 years	2%	2%
	-above 44 years	1%	1%

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

ii) Changes in the present value of defined benefit obligation	Employee's gratuity fund	
	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	98.45	83.70
Current service cost	23.65	21.37
Past service cost	-	1.20
Interest cost	7.59	6.28
Curtailments	-	-
Settlements	-	-
Benefits paid	(7.15)	(8.06)
Actuarial (gain)/ loss on obligations	(0.72)	(6.04)
Present value of obligation at the end of the year	121.82	98.45

iii) Change in the fair value of plan assets:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Opening fair value of plan assets	56.11	27.47
Expected return on plan assets	4.33	2.06
Contributions by employer	38.69	35.75
Benefits paid	(7.15)	(8.06)
Actuarial (losses)/ gains	(1.42)	(1.11)
Closing fair value of plan assets	90.56	56.11

iii) Change in the fair value of plan assets:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Opening fair value of plan assets	56.11	27.47
Expected return on plan assets	4.33	2.06
Contributions by employer	38.69	35.75
Benefits paid	(7.15)	(8.06)
Actuarial (losses)/ gains	(1.42)	(1.11)
Closing fair value of plan assets	90.56	56.11

iv) Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Liabilities at the end of the year	121.82	98.45
Fair value of plan assets at the end of the year	(90.56)	(56.11)
Liabilities recognised in the Balance Sheet (Classified as Non Current, Refer Note 23)	31.26	42.34

v) Actual return on plan assets:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Expected return on plan assets	4.33	2.06
Actuarial (losses)/ gains on plan assets	(1.42)	(1.11)
Actual return on plan assets	2.91	0.95

vi) Expense recognized in the Statement of Profit and Loss consist of:	Employee's gratuity fund	
Employee benefits expense	31 March 2019	31 March 2018
Current service cost	23.65	21.37
Past service cost	-	1.20
Interest cost	3.26	4.22
Total expenses**	**26.92**	**26.79**

**Included in employee benefit expenses (Refer note 33)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

	Employee's gratuity fund	
Other comprehensive income	**31 March 2019**	**31 March 2018**
Actuarial gain / (loss) for the year on obligations	0.72	6.04
Actuarial gain /(loss) for the year on plan assets	(1.42)	(1.11)
Total actuarial (loss) / gain to be recognised	(0.69)	4.93
Total expense recognised in Statement of profit and loss	27.61	21.86
vii) Expected contribution to the fund in the next year	**31 March 2019**	**31 March 2018**
Gratuity	31.18	30.59
viii) A quantitative sensitivity analysis for significant is as shown below:		
	Employee's gratuity fund	
Impact on defined benefit obligation	**31 March 2019**	**31 March 2018**
Discount rate		
0.5% increase	(7.06)	(5.87)
0.5% decrease	7.76	6.46
Rate of increase in salary		
0.5% increase	(7.92)	(6.62)
0.5% decrease	7.28	6.05

ix) **Maturity profile of defined benefit obligation**	Employee's gratuity fund	
Year	**31 March 2019**	**31 March 2018**
Apr 2018- Mar 2019	6.10	4.67
Apr 2019- Mar 2020	1.62	1.70
Apr 2020- Mar 2021	2.40	2.42
Apr 2021- Mar 2022	4.05	3.57
Apr 2022 onwards	107.65	86.10
	121.82	**98.45**
x) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Particulars	**31 March 2019**	**31 March 2018**
Insurance policy with LIC Life Insurance (%)	100.00%	100.00%

41 Leases

Operating leases where Company is a lessee:

The Company has entered into lease transactions mainly for leasing of office premise for a period between 1 to 6 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to Rs. 39.27 million (31 March 2018: 36.99 million) included in Note 36.

Future minimum rentals payable under non-cancellable operating leases are, as follows:	31 March 2019	31 March 2018
Within one year	6.56	7.65
After one year but not more than five years	17.60	7.38
More than five years	41.51	42.40

Finance leases where Company is a lessee

The company has finance leases and hire purchase contracts for various items of plant and machinery. Further minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments (MLP) are as follows:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

	31 March 2019		31 March 2018	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Within one year	29.19	23.92	29.67	25.65
After one year but not more than five years	43.01	34.57	77.50	57.00
More than five years	-	-	-	-
Total minimum lease payments	72.20	58.49	107.17	82.65
Less: amounts representing finance charge	(13.71)	-	(24.52)	-
Present Value of minimum lease payments	58.49	58.49	82.65	82.65

42 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Subsidiaries

i. Flexiglobal Holdings Limited, Cyprus
ii. Flexiglobal (UK) Limited (subsidiary of Flexiglobal Holding Limited)
iii. Nanofil Technologies Private Limited (upto 30 April 2018)
iv. Flexituff Technology International Limited (formerly known as Flexituff FIBC Limited)
v. Flexituff S.A. Enterprises LLP
vi. Flexituff Javed Ahmed LLP
vii. Flexituff Hi-Tech LLP
viii. Flexituff Sailendra Kalita LLP
ix. Ujjivan LUIT LLP
x. Budheswar Das Flexituff International Limited JV
xi. Sanyug Enterprise Flexituff International Limited JV
xii. Vishnu Construction Flexituff International Limited JV
xiii. Mayur Kartick Barooah Flexituff International Limited JV
xiv. Sailendra Kalita JV
xv. Pulin Borgohain 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 Private Limited.
ii. Ecstasy Heights LLP
iii. Venetian Realty LLP
iv. Ambika Commercial LLP
v. Rising Sun Properties LLP
vi. Chitrakoot Mercantiles LLP
vii. Wanderland Real Estate Private Limited
viii. Herbal Dream Ayurveda Creations Private Limited

Key Management Personnel

i. Mr. Saurabh Kalani, (Whole Time Director)
ii. Mr. Mahesh Sharma (Chief Executive Officer & Whole Time Director upto 30 May 2018)
iii. Mr. Ajay Mundra (Chief Financial officer)
iv. Mr. Akhilesh Agnihotri (Whole Time Director) (Resigned w.e.f 30 May 2017)
v. Ms. Madhuri Jethani (Company Secretary) (Resigned w.e.f 13 February 2018)
vi. Mr. Anand Khandelwal (Whole-Time Director)
vii. Ms. Khushboo Kothari (Company Secretary)
viii. Mr. Bhuwan Modi (Independent Director)
ix. Mr. Anirudh Sonpal (Chairman)
x. Ms. Alka Sagar (Non Executive Woman Director)
xi. Mr. Ashish Jamidar (Whole-Time Director) (Joined w.e.f 14 August 2018)

Relatives of Key Management Personnel

i. Mrs. Padma Kalani (Mother of Mr. Saurabh Kalani)
ii. Mr. Manish Kalani (Brother of Mr. Saurabh Kalani)
iii. Mr. Kartikeya Kalani (Son of Mr. Saurabh Kalani)
iv. Mrs. Devakshi Kalani (Daughter in Law of Mr. Saurabh Kalani)
v. Mr. Vinayak Kalani (Son of Mr. Saurabh Kalani)
vi. Mrs. Manju Mundra (Wife of Mr. Ajay Mundra)
vii. Mrs. Arni Jamidar (Wife of Mr. Ashish Jamidar)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

(B)	Details of transactions with related party in the ordinary course of business for the year ended:	31 March 2019	31 March 2018
(i)	**Sale of goods**		
	Nanofil Technologies Private Limited	32.65	254.57
	Flexituff Javed Ahmed LLP	-	19.93
	Flexituff SA Enterprises LLP	198.96	200.89
	Budheswar Das Flexituff International Limited JV	3.47	22.91
	Sanyug Enterprise Flexituff International Limited JV	-	0.83
	Vishnu Construction Flexituff International Limited JV	-	1.08
	Flexituff Sailendra Kalita JV	40.20	35.20
	Flexituff Pulin Borgohain JV	3.45	-
	Mayur Kartick Barooah Flexituff International Limited JV	-	6.79
	Wanderland Real Estate Pvt Ltd	1,021.96	-
	Total	**1,300.68**	**542.20**

(ii)	**Purchase of goods**	31 March 2019	31 March 2018
	Nanofil Technologies Private Limited	7.91	195.42
	Ujjivan LUIT LLP	13.06	-
	Wanderland Real Estate Private Limited	0.28	-
	Herbal Dream Ayurveda Creations Private Limited	0.31	-
	Total	**21.56**	**195.42**
(iii)	**Recovery of expenses**		
	Nanofil Technologies Private Limited (Rent and Power)	0.15	10.75
(iv)	**Rent expenses**		
	Kalani Industries Private Limited	0.85	0.85
	Herbal Dream Ayurveda Creations Private Limited	1.15	-
	Mr. Manish Kalani	0.29	0.22
	Mrs. Padma Kalani	0.20	0.24
	Total	**2.49**	**1.30**
(v)	**Salaries, wages, bonus and other allowances**		
	Mr. Kartikeya Kalani	6.32	5.35
	Mr. Ajay Mundra	3.67	3.45
	Mrs. Manju Mundra	1.73	1.06
	Ms. Madhuri Jethani	-	0.21
	Mrs. Devakshi Kalani	2.63	2.45
	Mrs. Arni Jamidar	1.12	-
	Mrs. Khushboo Kothari	0.69	0.08
	Total	**16.16**	**12.60**
(vi)	**Managerial remuneration**		
	Mr. Saurabh Kalani	2.97	2.58
	Mr. Mahesh Sharma	1.78	11.28
	Mr. Akhilesh Agnihotri-	-	0.35
	Mr. Ashish Jamidar	1.26	-
	Mr. Anand Khandelwal	1.12	0.67
	Total	**7.13**	**14.88**
(vii)	**Sitting Fees**		
	Ms. Alka Sagar	0.04	0.05
	Mr. Anirudh Sonpal	0.04	0.05
	Mr. Bhuwan Modi	0.04	0.04
	Mr. Parag Gupta	-	0.03
	Total	**0.12**	**0.17**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

	31 March 2019	31 March 2018
(viii) Interest income		
Flexiglobal Holdings Limited	0.55	-
Flexituff Javed Ahmed LLP	18.00	10.79
Flexituff Hi-Tech LLP	2.88	1.73
Flexituff SA Enterprises LLP	9.09	7.32
Flexituff Sailendra Kalita LLP	1.07	0.87
Ujjivan LUIT LLP	1.79	1.49
Budheswar Das Flexituff International Limited JV	1.90	-
Vishnu Construction Flexituff International Limited JV	0.13	-
Sanyug Enterprise Flexituff International Limited JV	0.00	-
Mayur Kartick Barooah Flexituff International Limited JV	0.45	-
Flexituff Pulin Borgohain JV	0.13	-
Flexituff Sailendra Kalita JV	1.72	-
Total	**33.37**	**22.20**
(ix) Loans and advances given		
Flexituff Technology International Limited	0.84	-
Flexituff Javed Ahmed LLP	39.94	66.61
Flexituff Hi-Tech LLP	3.18	16.89
Flexituff SA Enterprises LLP	9.25	10.53
Flexituff Sailendra Kalita LLP	1.21	1.13
Ujjivan LUIT LLP	1.93	0.59
Flexituff Pulin Borgohain JV	1.37	-
Flexituff Sailendra Kalita JV	20.98	-
Budheswar Das Flexituff International Limited JV	4.22	-
Mayur Kartick Barooah Flexituff International Limited JV	1.10	-
Total	**84.01**	**95.75**
(x) Loans and advances given repaid		
Vishnu Construction Flexituff International Limited JV	1.45	-
Sanyug Enterprise Flexituff International Limited JV	0.01	-
(xi) Loan taken during the year		
Wanderland Real Estate Private Limited	664.66	-
xii) Security Deposit given		
Herbal Dream Ayurveda Creations Private Limited	1.50	-
(xiii) Employee Security Deposits taken		
Mr. Ajay Mundra	3.65	-
Mrs. Manju Mundra	1.70	-
Total	**5.35**	**-**
(C) Amount due to/from related party as on:		
(I) Non current investments		
Flexiglobal Holding Limited, Cyprus	12.52	12.52
Flexituff Technology International Limited	0.10	0.10
Nanofil Technologies Private Limited	-	0.10
Flexituff SA Enterprises LLP	0.08	0.08
Flexituff Javed Ahmed LLP	0.08	0.08
Flexituff Hi-Tech LLP	0.08	0.08
Flexituff Sailendra Kalita LLP	0.08	0.08
Ujjivan LUIT LLP	0.05	0.05
Total	**12.99**	**13.09**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

(ii)	**Trade payables**	**31 March 2019**	**31 March 2018**
	Ujjivan LUIT LLP	15.41	-
	Kalani Industries Private Limited	1.03	-
	Herbal Dream Ayurveda Creations Private Limited	0.02	-
	Mr. Manish Kalani	0.50	0.17
	Mrs. Padma Kalani	0.48	0.22
	Total	**17.44**	**0.39**
(iii)	**Loans**	**31 March 2019**	**31 March 2018**
	Flexituff Javed Ahmed LLP	175.95	136.01
	Flexituff Hi-Tech LLP	26.18	23.00
	Flexituff SA Enterprises LLP	79.71	70.46
	Flexiglobal Holding Limited	19.38	19.03
	Flexituff Sailendra Kalita LLP	8.44	7.23
	Ujjivan LUIT LLP	14.09	12.16
	Budheswar Das Flexituff International Limited JV	22.62	18.40
	Sanyug Enterprise Flexituff International Limited JV	-	0.01
	Vishnu Construction Flexituff International Limited JV	1.42	2.87
	Flexituff Technology International Limited	0.84	0.09
	Flexituff Pulin Borgohain JV	1.96	0.59
	Mayur Kartick Barooah Flexituff International Limited JV	5.44	4.34
	Flexituff Sailendra Kalita JV	27.56	6.58
	Total	**383.59**	**300.77**
(iv)	**Travelling Advances**	**31 March 2019**	**31 March 2018**
	Mr. Saurabh Kalani	0.60	0.04
(v)	**Loan Oustanding**	**31 March 2019**	**31 March 2018**
	Wanderland Real Estate Private Limited		
(vi)	**Security Deposit given**	**31 March 2019**	**31 March 2018**
	Herbal Dream Ayurveda Creations Private Limited	1.50	-
(vii)	**Employee Security Deposits taken**		
	Mr. Ajay Mundra	3.65	-
	Mrs. Manju Mundra	1.70	-
	Total	**5.35**	**-**
(viii)	**Other receivables**	**31 March 2019**	**31 March 2018**
	Flexiglobal Holding Limited	3.78	-
\(ix)	**Trade receivables**	**31 March 2019**	**31 March 2018**
	Flexituff Javed Ahmed LLP	-	20.92
	Flexituff Sailendra Kalita LLP	13.00	21.15
	Flexituff SA Enterprises LLP	272.23	222.14
	Budheswar Das Flexituff International Limited JV	0.83	31.16
	Mayur Kartick Barooah Flexituff International Limited JV	-	9.34
	Sanyug Enterprise Flexituff International Limited JV	0.83	1.76
	Flexituff Pulin Borgohain JV	3.62	-
	Vishnu Construction Flexituff International Limited JV	-	3.69
	Wanderland Real Estate Private Limited	596.80	-
	Total	**961.89**	**349.58**
(x)	**Corporate Guarantee Given**	**31 March 2019**	**31 March 2018**
	Nanofil Technologies Private Limited	-	0.20
	Wanderland Real Estates Private Limited	950.00	-
	Total	**950.00**	**0.20**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for loans and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

43 Segment reporting

The Company's operations predominantly relate to manufacturing of technical textiles. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

The Company does not receive 10% or more of its revenue from transactions with any single external customer.

The amount of its revenue from external customers, broken down by location of its customers is shown in the table below:

Revenue from external customers	31 March 2019	31 March 2018
India	4,994.77	3,977.26
USA	2,892.74	2,718.22
Singapore	520.93	1,378.54
Other countries	3,339.69	3,474.45
	11,748.13	**11,548.47**

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 2019	31 March 2018
Within India	6,138.73	6,460.46
Outside India	-	-

44 Fair values of financial assets and financial liabilities

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transactionbetween willing parties, other than in a forced or liquidation sale.

The amortized cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying value and fair value of financial instruments by categories as at 31st March 2019 were as follows:

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Investments in Equity Instruments - Unquoted	8	-	0.01	-	0.01	0.01
Non current Fixed deposits	9	127.32	-	-	127.32	127.32
Security deposits	9	101.57	-	-	101.57	101.57
Trade receivables	13	3,862.89	-	-	3,862.89	3,862.89
Loans	16	383.59	-	-	383.59	383.59
Other financial assets	17	43.82	5.71	-	49.53	49.53
Cash and cash equivalents	14	37.53	-	-	37.53	37.53
Bank balances other than cash and cash equivalent	15	158.99	-	-	158.99	158.99
Liabilities						
Long term Borrowings	22	2,858.55	-	-	2,858.55	2,858.55
Short term borrowings	24	2,649.92	-	-	2,649.92	2,649.92
Trade payables	25	2,502.36	-	-	2,502.36	2,502.36
Other financial liabilities	26	2,167.10	-	-	2,167.09	2,167.09

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or Loss	OCI		
Assets						
Non current Fixed deposits	9	155.95	-	-	155.95	155.95
Security deposits	9	97.11	-	-	97.11	97.11
Trade receivable	13	3,627.42	-	-	3,627.42	3,627.42
Loans	16	300.77	-	-	300.77	300.77
Other financial assets	17	47.55	-	-	47.55	47.55
Cash and cash equivalents	14	70.21	-	-	70.21	70.21
Bank balances other than cash and cash equivalent	15	88.37	-	-	88.37	88.37
Liabilities						
Long term Borrowings	22	2,188.69	-	-	2,188.69	2,188.69
Short term borrowings	24	2,636.88	-	-	2,636.88	2,636.88
Trade payables	25	1,893.25	-	-	1,893.25	1,893.25
Other financial liabilities	26	2,675.64	0.73	-	2,676.37	2,676.37

45 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	31 March 2019	31 March 2018
Level 2		
Financial assets measured at fair value through profit or loss		
Derivative financial instruments crystallised, pending settlement	5.71	-
Financial liabilities measured at fair value through profit or loss	-	0.73
Derivative financial instruments		
Level 3		
Investments in Equity Instruments	0.01	-
Unquoted equity instruments		
Financial assets measured at amortized cost	127.32	155.95
Non current Fixed deposits		
Trade receivables	3,862.89	3,627.42
Security deposits	101.57	97.11
Loans	383.59	300.77
Other financial assets	43.82	47.55
Cash and cash equivalents	37.53	70.21
Bank balances other than cash and cash equivalent	158.99	88.37
Financial liabilities measured at amortized cost		
Long term Borrowings	2,858.55	2,188.69
Short term borrowings	2,649.92	2,636.88
Trade payables	2,502.36	1,893.25

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

46 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) **Interest rate risk**

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. "

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit / loss before tax is affected through the impact on floating rate borrowings, as follows:

Exposure to interest risk	"Increase/ decreasein basis points"	"Effect on profit / lossbefore tax"
2019		
INR in Millions	+50	(15.91)
INR in Millions	-50	15.91
2018		
INR in Millions	+50	(18.65)
INR in Millions	-50	18.65

(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).

46 Derivate outstanding as at the reporting date

Particulars	31 March, 2019	31 March 2018
Forward contract to sell USD	-	5.00
Forward contract to sell EURO	-	1.50
Forward contract to sell GBP	-	3.0

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

The following table shows foreign currency exposures receivable and payable at the end of the reporting period

Particulars		31 March 2019		31 March 2018	
		Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in Million
Assets					
Trade Recievables	USD	14.69	1016.13	15.68	1,020.03
	GBP	2.12	191.86	6.84	631.11
	EURO	0.53	41.09	0.86	69.22
	CAD	0.06	2.95	0.07	3.32
	AUD	0.04	1.17	-	-
Loans & advances	GBP	0.21	19.38	0.21	19.03
Advance to Suppliers	USD	0.03	1.85	-	-
	EURO	0.01	0.63	-	-
Capital Advance	EURO	0.12	9.20	0.39	31.23
Liabilities					
Foreign Currency Convertible Bonds	USD	31.50	2,178.90	34.00	2,741.15
Trade Payables	USD	0.79	55.44	0.89	58.15
	EURO	0.17	13.27	0.04	3.21
	GBP	0.11	10.12	-	-
Advance from Customers	USD	0.17	11.63	0.23	14.95
	EURO	0.00	0.27	-	-
Finance Lease Obligations	CHF	-	-	0.13	8.81
Deferred Payment Liabilities	EURO	-	-	0.02	1.61

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Company's profit / loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Effect on profit / loss - gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Assets				
Trade Recievables	62.70	86.18	(62.70)	(86.18)
Loans & advances	0.97	0.95	(0.97)	(0.95)
Advance to Suppliers	0.12	-	(0.12)	-
Capital Advance	0.46	1.56	(0.46)	(1.56)
Liabilities	-	-	-	-
Foreign Currency Convertible Bonds	(108.94)	(137.06)	108.94	137.06
Trade Payables	(3.89)	(3.07)	3.89	3.07
Advance From Customers	(0.59)	(0.75)	0.59	0.75
Finance Lease Obligations	-	(0.44)	-	0.44
Deferred Payment Liabilities	-	(0.08)	-	0.08

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is primarily attributable to the Company's trade and other receivables. The amounts presented in this standalone statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

	31 March 2019	31 March 2018
Not due	832.81	615.68
0-3 months	1,431.26	1,466.03
3-6 months	346.03	396.92
6 months to 12 months	580.42	556.09
beyond 12 months	672.36	592.70
	3,862.89	3,627.42

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

	31 March 2019	31 March 2018
Opening provision	18.82	25.30
Add: additional provision made	17.67	-
Less: Provision written back	-	(6.48)
Closing provisions	**36.49**	**18.82**

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2019						
Long-term borrowings	-	-	-	2,858.55	-	2,858.55
Short term borrowings	2,649.92	-	-	-	-	2,649.92
Trade payables	-	2,502.36	-	-	-	2,502.36
Other financial liability	-	1,451.25	715.84	-	-	2,167.09
	2,649.92	**3,953.61**	**715.84**	**2,858.55**	**-**	**10,177.92**
31 March 2018						
Long-term borrowings	-	-	-	2,188.69	-	2,188.69
Short term borrowings	2,636.88	-	-	-	-	2,636.88
Trade payables	-	1,893.25	-	-	-	1,893.25
Other financial liability	-	1,911.28	765.09	-	-	2,676.37
	2,636.88	**3,804.52**	**765.09**	**2,188.69**	**-**	**9,395.19**

47 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors its gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing (including current maturrities from long term debts) and current borrowing of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

		31 March 2019	31 March 2018
Total equity	(i)	3,684.45	3,842.69
Total debt	(ii)	7,240.14	7,190.82
Overall financing	(iii) = (i) + (ii)	10,924.59	11,033.51
Gearing ratio	(ii)/ (iii)	0.66	0.65

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

48 Corporate Social Responsibility (CSR)	31 March 2019	31 March 2018
Gross amount required to be spent :	0.77	1.53
Amount Spent during the year		

	31 March 2019		31 March 2018	
	Yet to be paid in Cash	Total	Yet to be paid in Cash	Total
i. construction/ acquisition of any asset				
- under the control of the company for future use	-	-	-	-
- not under the contol of company for future use	-	-	-	-
ii. On purpose other than (i) above	-	0.80	-	0.45
	-	**0.80**	**-**	**0.45**
Less: Amount Capitalized as CSR Assets	-	-	-	-
	-	**0.80**	**-**	**0.45**

49 During the year, the Company has disposed off its entire shareholding in its subsidiary Nanofil Technologies Private Limited on April 30, 2018 at a consideration of Rs. 20.63 millions. Consequently, the Company has recognised profit on sale of investment amounting to Rs. 20.53 millions under the head "Other Income".

50 Based on the Honourable Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. However, the Company believes that there will be no impact and hence has not provided for any additional liability as on March 31, 2019 in the books of account.

51 The name of the Company has been changed from “Flexituff International Limited” to "Flexituff Ventures International Limited” w.e.f. September 28, 2018.

52 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Ajay Mundra
Chief Finance Officer

Place: Pithampur
Date: May 24, 2019

Anand Khandelwal
Whole time director
DIN: 07889346

Khushboo Kothari
Company Secretary
Membership No: F10081

CONSOLIDATED

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion.

We have audited the accompanying consolidated financial statements of Flexituff Ventures International Limited [formerly known as Flexituff International Limited] (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2019 and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and joint ventures,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 accounting principles generally acceptedin India, of their consolidated state of affairs of the Group and its joint venturesas at March 31, 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matters	How was the Key Audit Matter addressed in the audit
Impairment of a Cash Generating Unit (CGU) of the holding company: (Refer Note 2.6 of theconsolidated financial statements) The Kashipur cluster of the holding company has significant tangible and intangible asset base. There is a risk that this cash generating unit ('CGU') of the holding company may not achieve the anticipated business performance to support its carrying value, leading to an impairment charge. Significant judgement is required in forecasting the future cash flows of the CGU, together with the rate at which they are discounted, which have an element of inherent risk. Due to the significant judgement involved in determining key assumptions such as future sales growth, EBITDA margins and discount rates, and the magnitude of the assets under consideration, we have considered this as a Key Audit Matter.	**Our Audit procedures in respect of this area included:** ● Understand the commercial prospects of the assets and the methodology applied by the management in performing its impairment test for the said CGU of the holding company; ● Assessed the Management's valuation assumptions for the cash flow projections such as discount rates, future sales growth and EBITDA margins; ● Assessed the inputs based on insights, experience and reviewed the discount rate applied with the assistance of the valuation experts; ● Verified the mathematical accuracy and performed sensitivity analysis on the holding company's forecasts and determined whether adequate headroom remained.
Utilisation of Minimum Alternate Tax Credit recognised in the books: (Refer Note 2.10, 3.1 (a) and 37 of the consolidated financial statements) Minimum Alternate Tax (MAT) credit is recognised only when and to the extent there is a convincing evidence that the Group will pay normal income tax during the specified period. Such asset is	**Our Audit procedures in respect of this area included:** Evaluated management's assumptions and key estimates with respect to the projections supporting sufficient future taxable profit in order to support the carry forward of MAT credit asset.

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.

There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which MAT credit asset is recognised and carried forward.

We have considered this as Key Audit Matter due to the uncertainty and management estimation involved in assessing the future taxable profits.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of three subsidiaries (including a step-down subsidiary) and eleven joint ventures, whose financial statements reflect total assets of Rs.849.26 million as at March 31, 2019, total revenues of Rs. 963.15 million and net cash outflows amounting to Rs. 8.86 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 63.34 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of three subsidiaries and eleven joint ventures, whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

b. Two subsidiaries(including a step-down subsidiary) are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certifiedby the Management. ?

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss,the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures - Refer Note 40 to the consolidated financial statements.

ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

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

Amrish Vaidya
Partner
Membership No.: 101739

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration
No. 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures 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 and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of holding company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

  We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration
No. 112318W
Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FLEXITUFF VENTURES INTERNATIONAL LIMITED (FROMERLY KNOWN AS FLEXITUFF INTERNATIONAL LIMITED

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Flexituff Ventures International Limited (formerly known as Flexituff International Limited) on the consolidated Financial Statements for the year ended March 31, 2019]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Flexituff Ventures International Limited (formerly known as Flexituff International Limited) (hereinafter referred to as "the Holding Company") and its subsidiary company, incorporated in India, as of that date. Reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to the said subsidiary company incorporated in India [namely Flexituff Technology International Limited (formerly known as Flexituff FIBC Limited)] pursuant to MCA notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls 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 internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, to whom reporting under clause (i) of Sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2019, 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

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

Place: Pithampur
Date: May 24, 2019

For **Kailash Chand Jain & Co.**
Chartered Accountants
ICAI Firm Registration
No. 112318W
Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

CONSOLIDATED BALANCE SHEET as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,491.11	5,874.98
Other intangible assets	6	577.37	537.91
Financial assets			
Investments	7	0.01	-
Loans	8	-	1.00
Other non-current financial assets	9		
		228.89	253.06
Non current tax assets (net)	10	42.96	24.89
Other non-current assets	11	33.10	20.93
Total non-current assets		6,373.44	6,712.77
Current assets			
Inventories	12	1,605.62	2,391.40
Financial assets			
Trade receivables	13	3,962.25	3,751.79
Cash and cash equivalents	14	48.21	89.75
Bank balances other than cash and cash equivalent	15	159.87	72.39
Loans	16	14.81	22.67
Other current financial assets	17	210.01	117.58
Current tax assets (net)	18	12.79	11.63
Other current assets	19	1,767.57	1,233.81
Total current assets		7,781.13	7,691.02
Total assets		**14,154.57**	**14,403.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	248.83	248.83
Other equity	21	3,388.05	3,621.24
Total equity attributable to equity holders		3,636.88	3,870.07
Non controlling interests		(13.52)	(9.21)
Total equity		**3,623.36**	**3,860.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	2,858.56	2,191.60
Provisions	23	53.69	64.53
Deferred tax liabilities (net)	37	36.82	100.76
Total non-current liabilities		**2,949.07**	**2,356.89**
Current liabilities			
Financial liabilities			
Borrowings	24	2,649.92	2,695.39
Trade payables	25		
a) Outstanding dues to micro enterprises and small enterprises		-	-
b) Outstanding dues to creditors other tham micro enterprises		2,624.86	2,573.59
and small enterprises			
Other current financial liabilities	26	2,170.65	2,681.24
Provisions	23	1.99	2.42
Other current liabilities	27	134.72	230.40
Current tax liabilities (net)	28	-	3.00
Total current liabilities		**7,582.14**	**8,186.04**
Total liabilities		**10,531.21**	**10,542.93**
Total equity and liabilities		**14,154.57**	**14,403.79**
Summary of significiant Accounting Policies The accompanying notes are an integral part of the Financial Statements.	2		

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Ajay Mundra
Chief Finance Officer

Place: Pithampur
Date: May 24, 2019

Anand Khandelwal
Whole time director
DIN: 07889346

Khushboo Kothari
Company Secretary
Membership No: F10081

CONSOLIDATED STATEMENT OF PROFIT AND LOSS as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
Income			
Revenue from operations	29	12,452.15	12,622.82
Other income	30	211.82	306.40
Total income		**12,663.97**	**12,929.22**
Expenses			
Cost of material consumed	31	6,438.02	5,172.38
Purchase of Stock-in-trade		490.03	2,439.25
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	722.31	(198.87)
Excise duty paid		-	14.34
Employee benefits expense	33	1,972.35	2,032.94
Finance costs	34	1,091.69	1,116.72
Depreciation and amortization expense	35	704.32	756.78
Other expenses	36	1,540.29	1,609.75
Total expenses		**12,959.01**	**12,943.29**
Loss before exceptional items and tax		**(295.04)**	**(14.07)**
Income tax expense/(credit)	**37**		
Current tax		0.29	(0.59)
MAT Charge for the prior year		0.26	-
MAT Credit		(0.26)	(1.33)
Deferred tax charge/(benefit) (excluding MAT credit entitlement)		(62.33)	31.17
Tax for earlier years		5.75	-
Total income tax expense/(credit)		**(56.30)**	**29.25**
Loss after tax from continuing operations		**(238.74)**	**(43.32)**
Profit before tax from discontinued operations	38	10.84	-
Tax expense of discontinued operations		-	-
Profit after tax from discontinued operations	38	10.84	-
Loss on disposal of discontinued operations	38	(7.63)	-
Profit after tax from discontinued operations	**38**	**3.21**	**-**
Net Loss for the year		**(235.53)**	**(43.32)**
Loss from continuing operations for the year attributable to:			
Equity holders of the parent		(234.43)	(35.81)
Non controlling interests		(4.31)	(7.51)
		(238.74)	(43.32)
Profit from discontinued operations for the year attributable to:			
Equity holders of the parent		3.21	-
Non controlling interests		-	-
		3.21	-
Other comprehensive(loss)/ income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(0.69)	4.93
Income tax effect on above		0.22	(0.47)
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		(2.17)	-
Income tax effect on above		0.68	-
Total Other comprehensive (loss)/income for the year		**(1.97)**	**4.46**
Other comprehensive (loss)/income attributable to:			
Equity holders of the parent		(1.97)	4.46
Non controlling interests		-	-
Total comprehensive loss for the year net of tax		**(237.50)**	**(38.86)**
Total comprehensive loss for the year attributable to :			
Shareholders of the company		(233.19)	(31.35)
Non controlling interests		(4.31)	(7.51)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS as at 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
Loss per equity share (from continuing operations)			
Basic (in.Rs)	39	(9.42)	(1.44)
Diluted (in.Rs)	39	(9.42)	(1.44)
Earnings per equity share (from discontinued operations)			
Basic (in.Rs)	39	0.13	-
Diluted (in.Rs)	39	0.13	-
Loss per equity share (from continuing and discontinued operations)			
Basic (in.Rs)	39	(9.29)	(1.44)
Diluted (in.Rs)	39	(9.29)	(1.44)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Ajay Mundra
Chief Finance Officer

Place: Pithampur
Date: May 24, 2019

Anand Khandelwal
Whole time director
DIN: 07889346

Khushboo Kothari
Company Secretary
Membership No: F10081

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2019

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

	Notes	As at 31 March 2019	As at 31 March 2018
Cash flow from operating activities			
Loss before tax		(295.04)	(14.07)
Profit before tax from discontinued operations		3.21	-
Adjustments for:			
Depreciation and amortization expenses		704.32	756.78
Finance cost		1,091.69	1,116.72
Interest income		(29.85)	(33.86)
Defined benefits reclassified to OCI		(0.47)	4.46
Amortisation of Government Grants		(15.03)	-
Provision written back		-	(6.49)
Provision for bad & doubtful debts		17.68	-
Loss on Sale of Subsidiary		7.63	-
(Gain)/ loss on sale of fixed assets		7.14	(6.27)
Unrealised foreign exchange gain(net)		(37.47)	(83.39)
Foreign currency translation reserve		(1.49)	(11.27)
Operating profit before working capital changes		**1,452.32**	**1,722.60**
Changes in working capital			
Increase/ (Decrease) in trade payables		215.85	60.20
Increase/ (Decrease) in other financial liabilities		70.59	(26.21)
Increase/ (Decrease) in other current liabilities		(91.14)	110.27
Increase/ (Decrease) in provisions		(10.80)	(33.48)
Decrease/ (increase) in inventories		782.59	(155.34)
Decrease/ (increase) in trade receivables		(257.09)	702.14
Decrease/ (increase) in other bank balances		(190.46)	37.08
Decrease/ (increase) in current loans and other financial assets		(85.95)	1.70
Decrease/ (increase) in other current assets		(540.96)	(459.36)
Decrease/ (increase) in non current financial assets		25.17	(63.79)
Decrease/ (increase) in other non current assets		(12.17)	(3.69)
Cash generated from operations		**1,357.97**	**1,892.12**
Income tax paid		(29.87)	0.61
Net cash flows from operating activities (A)		**1,328.10**	**1,892.73**
Cash flow from Investing activities			
Proceeds from disposal of Subsidiary		20.63	-
Purchase of property, plant and equipment		(350.20)	(273.13)
Purchase/Development of intangible assets		(44.94)	(89.80)
Receipts from Government Grants		25.81	-
Payments for purchase of investments		(0.01)	-
Interest received		31.23	29.52
Net cash outflows from investing activities (B)		**(317.47)**	**(333.41)**
Cash flow from Financing activities			
Net proceeds/ (repayment) from Long term borrowings		30.89	(315.54)
Net proceeds/ (repayment) from short-term borrowings		(45.47)	(206.99)
Interest paid		(1,037.59)	(1,111.90)
Net cash outflows from financing activities (C)		**(1,052.17)**	**(1,634.43)**
Net decrease in cash and cash equivalents (A+B+C)		**(41.54)**	**(75.11)**
Cash and cash equivalents at the beginning of the year		89.75	164.86
Cash and cash equivalents at the end of the year		48.21	89.75
Cash and cash equivalents comprise (refer note 14)			
Balances with banks			
in current accounts		45.45	52.13
in fixed deposits with maturity of less than 3 months		0.94	34.01
Cash on hand		1.82	3.61
Total cash and bank balances at end of the year		**48.21**	**89.75**

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.

Net Debt Reconciliation:	31-Mar-19	31-Mar-18
	Borrowings #	Borrowings #
Opening Balance	7,334.79	7,890.45
Cash Flows	(165.23)	(522.54)
Foreign exchange adjustments	150.65	(37.94)
Interest Expense *	1,091.69	1,116.72
Interest Paid *	(1,037.59)	(1,111.90)
Closing Balance	7,374.31	7,334.79

Borrowings comprise of current and non current borrowings and finance lease obligations. Borrowings also include interest accrued but not due on borrowings

* Interest expense and interest paid related to borrowings and finance leases.

Summary of significant accounting policies

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

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Anand Khandelwal
Whole time director
DIN: 07889346

Ajay Mundra
Chief Finance Officer

Khushboo Kothari
Company Secretary
Membership No: F10081

Place: Pithampur
Date: May 24, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2019

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

(A) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid				
Opening	24.88	248.83	24.88	248.83
Add: issued during the year	-	-	-	-
Closing	24.88	248.83	24.88	248.83

(B) Other Equity

	Reserve and Surplus					
	Reserve and surplus	Securities premium	General reserve	Foreign currency translation reserve	Non Controlling Interests	Total
Balance as at 1 April 2017	2,055.07	114.24	30.08	1,464.47	(1.70)	3,662.16
Loss for the year	-	-	-	(35.81)	(7.51)	(43.32)
Other comprehensive income	-	-	-	4.46	-	4.46
Total comprehensive loss for the year	-	-	-	(31.35)	(7.51)	(38.86)
Exchange difference on translation of foreign operation			(11.27)	-	-	(11.27)
Balance as at 31 March 2018	2,055.07	114.24	18.81	1,433.12	(9.21)	3,612.03
Balance as at 1 April 2018	2,055.07	114.24	18.81	1,433.12	(9.21)	3,612.03
Reclassification			(18.81)	18.81	-	-
Loss for the year	-	-	-	(231.22)	(4.31)	(235.53)
Other comprehensive loss	-	-	-	(1.97)	-	(1.97)
Total comprehensive loss for the year	**-**	**-**	**-**	**(214.38)**	**(4.31)**	**(237.50)**
Balance as at 31 March 2019	**2,055.07**	**114.24**	**-**	**1,218.74**	**(13.52)**	**3,374.53**

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

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
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Place: Pithampur
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For and on behalf of the Board of Directors
Flexituff Ventures International Limited
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Company Secretary
Membership No: F10081

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

SIGNIFICANT ACCOUNT POLICIES

1 General Information

The consolidated financial statements comprise financial statements of Flexituff Ventures International Limited (the Parent) [formerly known as Flexituff International Limited], its subsidiaries and joint ventures (collectively, the Group) for the year ended 31st March, 2019.The parent is engaged in the business of technical textile. Manufacturing units of the Company are located at Pithampur in Madhya Pradesh and at Kashipur in Uttarakhand. The parent is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The parent is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the parent is located at C-41 50, SEZ, Sector - 3, Pithampur, Madhya Pradesh- 454 775.These consolidated financial statements were authorised for issue by the Board of Directors of the parent on 24 May 2019.

2 Significant accounting policies

Significant accounting policies adopted by the group are as under:

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Ind AS

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

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

(b) Basis of measurement

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

i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value.

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

(c) New and amended standards adopted by the Group

The Group has applied the following the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the consolidated financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Group has evaluated the effect of this amendment on the consolidated financial statements and concluded that the impact is not material.

(d) Current / non current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

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.

(e) Use of estimate

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

(f) Rounding off of amount

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

2.2 Principals of consolidation

The consolidated financial statements relate to the Holding Company and its subsidiary companies and joint ventures (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 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 theretained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

(c) The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

2.3 Property, plant and equipment

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

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

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

Property, plant and equipment	Estimated useful life (in years)
Factory building	30
Leasehold land	over the period of lease term
Office equipment	5
Plant and machinery	15
Electrical installations	10
Furniture and fittings	10
Vehicles	8
Computers	3

In case of Flexiglobal (UK) Limited, a foreign subsidiary, depreciation on fixed assets is calculated as follows:

Property, plant and equipment	Basis of depreciation	Estimated useful life (in years)
Plant and machinery	Written down	10
Furniture and fittings	Written down	10

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:

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

"- 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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

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

Effective April 1, 2018, the Group has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

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".

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

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.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

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 in which a significant portion of the risks and rewards of ownership are not transferred to the Group as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and 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.

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 saleand 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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

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 instrument

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 measuremen

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

a) at amortized cost; orb) 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).

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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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 whena) the rights to receive cash flows from the financial asset is

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

transferred orb) 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 liabilitie

(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

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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."

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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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 basi

(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.

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4. Standards (including amendments) issued but not yet effective

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

(a) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

(b) Ind AS 116 'Leases': On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

(c) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(d) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Group is evaluating the effect of the above on its consolidated financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

5 Property, plant and equipment

	Gross block						Depreciation						Net block
	As at 1 April 2018	Additions	Exchange Difference	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	Deduction on Sale of subsidiary	Exchange Difference	As at31 March 2019	As at31 March 2019
Owned assets													
Freehold Land	161.73	-	-	-	-	161.73	-	-	-	-	-	-	161.73
Lease hold land	21.50	-	-	-	-	21.50	0.52	0.26	-	-	-	0.78	20.72
Buildings	1,151.18	19.65	21.80	-	-	1,192.63	89.26	45.96	-	-	-	135.22	1,057.41
Plant and Machinery	5,580.72	110.25	123.19	45.61	8.48	5,760.07	1,106.25	543.30	21.10	1.31	1.89	1,629.03	4,131.04
Electrical installations	181.56	3.68	-	7.83	0.33	177.08	80.98	15.13	-	0.01	-	96.10	80.98
Furniture and Fixtures	29.33	0.53	2.13	5.21	-	26.78	13.06	2.48	3.05	-	1.80	14.29	12.49
Office Equipment	23.51	1.49	-	0.19	-	24.81	8.75	4.39	-	-	-	13.14	11.67
Vehicles	22.44	1.63	-	5.27	6.85	11.95	1.27	4.08	4.12	0.51	-	0.72	11.23
Computers	9.38	3.11	-	0.03	0.03	12.43	6.27	2.34	-	0.02	-	8.59	3.84
Total	**7,181.35**	**140.34**	**147.12**	**64.14**	**15.69**	**7,388.98**	**1,306.36**	**617.94**	**28.27**	**1.85**	**3.69**	**1,897.87**	**5,491.11**

	Gross block						Depreciation						Net block
	As at 1 April 2017	Additions	Exchange Difference	Deductions	Deduction on Sale of subsidiary	As at 31 March 2018	As at 1 April 2017	For the year	Deductions	Deduction on Sale of subsidiary	Exchange Difference	As at31 March 2018	As at31 March 2018
Owned assets													
Freehold Property	115.59	-	-	115.59	-	-	2.76	2.49	5.41	-	0.16	-	-
Freehold Land	161.73	-	-	-	-	161.73	-	-	-	-	-	-	161.73
Lease hold land	21.50	-	-	-	-	21.50	0.26	0.26	-	-	-	0.52	20.98
Buildings	1,123.44	26.67	1.07	-	-	1,151.18	44.72	44.54	-	-	-	89.26	1,061.92
Plant and Machinery	5,350.63	222.73	7.74	0.38	-	5,580.72	518.84	587.47	0.08	-	0.02	1,106.25	4,474.47
Electrical installations	170.01	11.55	-	-	-	181.56	45.02	35.96	-	-	-	80.98	100.58
Furniture and Fixtures	25.24	4.09	-	-	-	29.33	7.32	5.70	-	-	0.04	13.06	16.27
Office Equipment	21.57	1.94	-	-	-	23.51	3.99	4.76	-	-	-	8.75	14.76
Vehicles	21.11	6.63	-	5.30	-	22.44	2.43	2.85	4.01	-	-	1.27	21.16
Computers	7.80	1.58	-	-	-	9.38	2.97	3.30	-	-	-	6.27	3.11
Total	**7,018.62**	**275.19**	**8.81**	**121.27**	**-**	**7,181.35**	**628.31**	**687.33**	**9.50**	**-**	**0.22**	**1,306.36**	**5,874.98**

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

6 Other intangible assets

	Gross block						Amortisation					Net block
	As at 1 April 2018	Additions -being internally developed	Additions	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019	As at 1 April 2018	Additions -being internally developed	Additions	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019
Other intangible assets												
Patents	0.35	-	-	-	-	0.35	0.20	0.10	-	-	0.30	0.05
Computer Software	4.04	-	-	-	-	4.04	2.33	1.11	-	-	3.44	0.60
Development assets	386.62	-	261.81	-	33.96	614.47	134.02	85.17	-	28.48	190.71	423.76
Intangible asset under development	283.45	131.31	-	261.81	-	152.96	-	-	-	-	-	152.96
Total	**674.46**	**131.31**	**261.81**	**261.81**	**33.96**	**771.82**	**136.55**	**86.38**	**-**	**28.48**	**194.45**	**577.37**

	Gross block						Amortisation					Net block
	As at 1 April 2018	Additions -being internally developed	Additions	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019	As at 1 April 2018	Additions -being internally developed	Additions	Deductions	Deduction on Sale of subsidiary	As at 31 March 2019
Other intangible assets												
Patents	0.35	-	-	-	-	0.35	0.10	0.10	-	-	0.20	0.15
Computer Software	3.86	-	0.18	-	-	4.04	0.98	1.35	-	-	2.33	1.71
Development assets	207.98	-	178.64	-	-	386.62	66.02	68.00	-	-	134.02	252.60
Intangible asset under development	303.02	-	159.07	178.64	-	283.45	-	-	-	-	-	283.45
Total	**515.21**	**-**	**337.89**	**178.64**	**-**	**674.46**	**67.10**	**69.45**	**-**	**-**	**136.55**	**537.91**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

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

8	Non-current financial assets - Loans	31 March 2019	31 March 2018
	Unsecured, considered good		
	Loans and advances to related parties		1.00
	Total non-current financial assets - Loans		1.00
	Break-up of security details		
	Loans considered good - Secured		-
	Loans considered good - Unsecured		1.00
	Loans which have significant increase in credit risk		-
	Loans – credit impaired		-
	Total Loans	**-**	**1.00**

9	Non-current financial assets - Others	31 March 2019	31 March 2018
	In fixed deposit accounts with maturity for more than 12 months from balance sheet date.	127.32	155.95
	Security deposits	101.57	97.11
	Total non-current financial assets - Others	**228.89**	**253.06**

10	Non-current tax assets	31 March 2019	31 March 2018
	Advance income tax (net)	42.96	24.89
	Total non-current tax assets	**42.96**	**24.89**

11	Other non-current assets	31 March 2019	31 March 2018
	Capital advance	16.87	-
	Prepaid expenses	14.97	-
	Security deposits	1.26	20.57
	Other assets	-	0.36
	Total other non-current other assets	**33.10**	**20.93**

12	Inventories*	31 March 2019	31 March 2018
	Raw material in stock	144.54	162.30
	Raw material in transit	20.83	5.26
	Consumables	57.52	127.93
	Work in progress in stock	562.85	274.88
	Finished goods in stock	789.69	1,799.97
	Store and spares parts including packing material	30.19	21.06
	Total inventories	**1,605.62**	**2,391.40**

*Hypothecated as charge against borrowings. Refer note 22 and 24

Write-downs of inventories (net of reversal) to net realisable value amounted to Rs. 1.50 Million (31 March 2018 – Rs. 3.42 Million). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

13	**Trade receivable**	**31 March 2019**	**31 March 2018**
	Trade Receivables	3,401.94	3,770.61
	Receivables from related parties (Refer Note 42)	596.80	-
	Less : Loss Allowance	(36.49)	(18.82)
	Total trade receivables	**3,962.25**	**3,751.79**
	Break-up of security details		
	Trade receivables considered good – Secured	-	-
	Trade receivables considered good – Unsecured	3,998.74	3,770.61
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables – credit impaired	-	-
	Total	**3,998.74**	**3,770.61**
	Loss allowance	(36.49)	(18.82)
	Total trade receivables	**3,962.25**	**3,751.79**

14	**Cash and cash equivalents**	**31 March 2019**	**31 March 2018**
	Balances with banks		
	in current accounts	45.45	52.13
	in fixed deposits with maturity of less than 3 months	0.94	34.01
	Cash on hand	1.82	3.61
	Total cash and cash equivalents	**48.21**	**89.75**

15	**Bank balances other than Cash and cash equivalent**	**31 March 2019**	**31 March 2018**
	Fixed deposit with maturity for more than 3 months butless than 12 months from balance sheet date	159.86	72.37
	Unpaid dividend	0.01	0.01
	Total bank balances other than cash and cash equivalent	**159.87**	**72.39**

16	**Current financial assets - Loans**	**31 March 2019**	**31 March 2018**
	Unsecured, considered good		
	Loans to related parties	-	8.75
	Intercorporate deposits	14.81	13.92
	Total current financial assets - Loans	**14.81**	**22.67**
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	14.81	22.67
	Loans which have significant increase in credit risk	-	-
	Loans – credit impaired	-	-
	Total Loans	**14.81**	**22.67**

17	**Current financial assets - Others**	**31 March 2019**	**31 March 2018**
	Interest accrued on fixed deposits	7.76	9.14
	Advance to staff	9.17	9.70
	Other advances	1.43	6.50
	Unbilled revenue #	125.98	53.28
	Security deposit	59.96	38.96
	Others	5.71	-
	Total current financial assets - Others	**210.01**	**117.58**
	# Classified as financial asset as right to consideration is unconditional upon passage of time.		

18	**Current tax Assets (net)**	**31 March 2019**	**31 March 2018**
	Advance Income tax (net)	12.79	11.63
	Total current tax Assets (net)	**12.79**	**11.63**

19	**Other current assets**	**31 March 2019**	**31 March 2018**
	Advance to suppliers	1,060.08	300.75
	Advance to employees	8.76	2.67
	Other Advances	-	36.41
	Balance with government authorities	640.11	855.29
	Deposits with government authorities	46.80	1.41
	Prepaid expenses	11.82	37.11
	Other receivables	-	0.17
	Total other current assets	**1,767.57**	**1,233.81**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

20	Equity share capital	31 March 2019	31 March 2018
	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.		
	Authorized		
	40,000,000 (31 March 2018: 40,000,000) Equity Shares of Rs.10 each	400.00	400.00
		400.00	400.00
	Issued, subscribed and paid up		
	24,882,806 (31 March 2018: 24,882,806) equity shares of Rs.10 each fully paid	248.83	248.83
	Total	**248.83**	**248.83**

		31 March 2019		31 March 2018	
		Number of shares in millions	Amount	Number of shares in millions	Amount
(a)	**Reconciliation of equity shares outstanding at the beginning and at the end of the year**				
	Outstanding at the beginning of the year	24.88	248.83	24.88	248.83
	Add: Issued during the year	-	-	-	-
	Outstanding at the end of the year	24.88	248.83	24.88	248.83

(b) Rights, preferences and restrictions attached to shares

"The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2018: 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."

		31 March 2019		31 March 2018	
		Number of shares in millions	Amount	Number of shares in millions	Amount
(c)	**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**				
1.	Kalani Industries Private Limited	3.62	14.55%	3.62	14.55%
2.	International Finance Corporation	1.90	7.64%	1.90	7.64%
3.	Saurabh Properties Private Limited	1.64	6.59%	1.64	6.59%
4.	Miscellani Global Private Limited	1.36	5.47%	1.36	5.47%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

21	Other equity	31 March 2019	31 March 2018
	Securities premium	2,055.07	2,055.07
	General reserve	114.24	114.24
	Foreign currency translation reserve	-	18.81
	Profit/(loss) in the Statement of Profit and Loss	1,218.74	1,433.12
	Total other equity	**3,388.05**	**3,621.24**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

Nature and purpose of other reserves	
Securities premium	Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
General reserve	The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.
Foreign currency translation reserve	Exchange difference arising on translation of foreign operations are recognised in other comprehensive income and accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss when the investment is disposed off.
Retained earnings	All other net gains, losses and transactions with owners (e.g.: dividends) not recognised elsewhere.

	31 March 2019	31 March 2018
(A) Securities premium		
Opening balance	2,055.07	2,055.07
Add : Securities premium credited on share issue	-	-
Closing balance	**2,055.07**	**2,055.07**
(B) General reserve		
Opening balance	114.24	114.24
Addition /(Transfer) during the year	-	-
Closing balance	**114.24**	**114.24**
(C) Foreign currency translation reserve		
Opening balance	18.81	30.08
Add: Exchange difference on translation of foreign operations	-	(11.27)
Less: Reclassed to Retained Earnings	(18.81)	-
Closing balance	**-**	**18.81**
(D) Reatined Earnings		
Opening balance	1,433.12	1,464.47
Add: Net loss for the current year	(231.22)	(35.81)
Add: Reclassification of Foreign currency translation reserve	18.81	-
Less: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	(0.47)	4.46
Less: Exchange difference on account of transalation difference	(1.49)	-
Closing balance	**1,218.74**	**1,433.12**
Total other equity	**3,388.05**	**3,621.24**
22 Non-current borrowings	**31 March 2019**	**31 March 2018**
Secured		
- Term loans		
From banks (refer note (a) and (c) below)	5.64	55.21
From others (refer note (a) and (c) below)	783.89	1,304.07
	789.53	**1,359.28**
Unsecured		
Foreign Currency Convertible Bonds (refer note (b) below)	1,400.72	584.12
Finance lease obligations (refer note (b) below)	34.57	65.82
- Other loans		
From a related party	550.00	-
From other parties	83.74	182.38
	2,069.03	**832.32**
Total non current borrowings	**2,858.56**	**2,191.60**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

a. Terms of secured borrowing are as under

Description	Rate of interest	As at 31 March, 2019 (Rs. In Millions)	As at 31 March, 2018 (Rs. In Millions)	Terms of Repayment
Term loans from Banks				
Central bank of India	Nil (31 March, 2018 : 12.55%)	-	11.60	Fully Repaid during the year ended 31 March 2019
Central Bank of India	13.90%(31 March, 2018 : 12.55%)	61.70	111.70	There was a default in repayment of one instalment of Rs. 12.50 million during the quarter ended 31 March 2019. In addition to this default; it is payable in three quarterly instalment of Rs. 12.50 million each and one last instalment of Rs. 11.70 million. Date of last instalment is 1 March 2020.
vehicle loan from Banks	9% to 11% (31 March, 2018 : 8% to 11%)	8.65	9.80	Repayable in equated monthly instalments.
Term loan from other parties				
KKR India Financial Services Private Limited, Mumbai	15.25% (31 March, 2018 : 15.25%)	1,000.50	1,380.10	There was a default in repayment of one instalment of Rs. 99.90 million during the quarter ended 31 March 2019. In addition to this default; it is payable in eight quarterly instalment of Rs. 99.90 million each and one last instalment of Rs. 101.40 million. Date of last instalment is 30 May 2021.
Clix Capital Services Private Limited (Formerly known as GE Money Financial Services Private Limited)	14.65% (31 March 2018: 14.65%)	-	15.16	Fully Repaid during the year ended 31 March 2019
IFCI Limited	13.15% (31 March 2018: 13.15%)	464.97	500.00	There was a default in repayment of one instalment by Rs. 25.00 million during the quarter ended 31 March 2019. In addition to this default; it is payable in one quarterly instalment of Rs. 30.00 million and thereafter in four quarterly instalment of Rs. 35.00 million each and thereafter in three quarterly instalment of Rs. 40.00 million each. Date of last instalment is 15 March 2022.
Total		**1,535.82**	**2,028.36**	
Less: Unamortized processing cost		**(22.52)**	**(37.46)**	
Less: Classified under current liabilities		**(723.77)**	**(631.62)**	
		789.53	**1,359.28**	

b. Terms of unsecured borrowing are as under

i Foreign Currency Convertible Bonds

As at 31 March 31 2019, the Company has two foreign currency convertible bonds aggregating USD 31.5 million (31 March 2018 : USD 34 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 and the Company is in the process of seeking necessary approval and extension from the bondholder and the Reserve Bank of India for the default in repayment of FCCB.ii) The Company had issued 25,000, 5.44% foreign currency convertible bond ('FCCB') of USD 1,000 each aggregating to USD

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

25 million on 26 April 2013 to TPG Growth II SF Pte. Ltd ('bondholder'). The bonds were convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to terms of issue, with fixed rate of exchange of Rs. 54.16 equal to USD 1 on April 26, 2018. During the current year, the bondholder has provided extension for repayment of said bonds based on revised terms and conditions. The outstanding bonds are convertible at the option of bondholder into equity shares of Rs. 10 each fully paid at the conversion price of Rs. 218 per share, subject to revised terms, with fixed rate of exchange of Rs. 54.16 equal to USD 1 up to 24 June 2022. The interest rate has been revised from 5.44% p.a. to 6.94% p.a. Following are the the revised terms of repayment: -"

Description / FCCB Repayment Revised Timeline	Amount in USD in Millions
Repaid during year ended 31 March 2019	**2.500**
30-Jun-19	1.125
31-Dec-19	1.125
30-Jun-20	2.250
31-Dec-20	2.250
30-Jun-21	4.500
31-Dec-21	5.625
30-Jun-22	5.625

ii Finance Lease obligation

The Group has obtained finance lease from TATA capital and Netsal Mashinen for purchase of plant and machinery at fixed rate of interest 13% p.a. and floating rate of Libor + 2.5% p.a. respectively. The balance of TATA capital lease as on 31 March 2019 amounts to Rs. 58.49 million (including current maturities of Rs. 23.92 million) [31 March 2018 amounts to Rs. 82.65 million (including current maturities of Rs. 16.84 million)] repayable in monthly installments up to September 2022. The balance of Nestal Mashinen lease as on 31 March 2019 amounts to Rs. Nil [31 March 2018 amounts to Rs. 8.81 million, classified entirely to current maturities].

iii Loan from others

Loan from other parties is repayable over a period ranging between 12 to 36 months and has rate of interest ranging from 14% to 17.5% p.a.

c. Nature of security :

Term loans from banks and term loans from other parties are secured by equitable mortgage on all immovable fixed assets of the Group, hypothecation of the entire moveable machinery and other fixed assets and a second charge on all current assets of the Group. Above Term loans are further secured by Personal Guarantee of Mr. Saurabh Kalani, Mr. Manish Kalani, corporate guarantee of Kalani Industries Private Limited.

Fourteen third parties have pledged their shareholding in the Company aggregating to 9,751,107 shares against term loans from banks and term loans from other parties. One related party has pledged its shareholding in the Company aggregating to 3,621,730 shares against foreign currency convertible bonds.

d. Period and amount of default:

During the year ended March 31, 2019 the Group has defaulted in repayment of following dues:

Name of Lenders	Amount of default in Rs. Millions as at March 31, 2019	Period of default from
Financial Institution:		
1. KKR India Financial Services Private Limited#	99.90	February 28, 2019
2. IFCI Limited	25.00	March 15, 2019
3. IFCI Venture Capital Funds Limited	7.58	February 28, 2019
4. IFCI Venture Capital Funds Limited	7.58	March 31, 2019
5. International Finance Corporation	622.54	January 31, 2019
Bank:		
Central Bank of India	12.50	March 31, 2019

The overdue amount has been paid subsequently by May 15, 2019

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

23 Provision	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits				
Provision for gratuity (funded) (refer note 41)	31.26	42.34	-	
Provision for compensated absences (unfunded)	22.43	22.19	1.99	2.42
Total Provisions	**53.69**	**64.53**	**1.99**	**2.42**

24 Short -term borrowings	31 March 2019	31 March 2018
Secured		
Working capital demand loan from banks, cash credit and packing credit (refer note below)	2,468.67	2,427.01
Bills discounted with banks	50.79	161.38
Unsecured		
From other parties (refer note below)	42.35	30.00
Bills discounted	88.11	77.00
Total short-term borrowings	**2,649.92**	**2,695.39**

a. Terms and conditions of loans:

i. Outstanding loans from banks carry interest from 9% to 14% p.a., repayable on demand

ii. Outstanding loans other parties carry interest rate of 12% to 15% p.a., repayable within 90 to 120 days

b. Nature of security :

i. Outstanding loans are secured by first charge on all current assets viz. raw material, stores & spares, work-in-progress, finished goods and book debts & second charge on all fixed assets of the Company

ii. Outstanding loans are further secured by personal guarantee of Mr. Manish Kalani and corporate guarantee of M/s Kalani Industries Private Limited.

iii. Outstanding loans are further secured by personal guarantee of Mr. Saurabh Kalani, director of the Company

c. Period and amount of default:

The Group has made not made any default in repayment of short term borrowings.

25 Trade payables	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,624.86	2,573.59
Total trade payables	**2,624.86**	**2,573.59**

* The Group does not have any dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	31 March 2019	31 March 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than undeR Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	

26 Other financial liabilities	31 March 2019	31 March 2018
Interest accrued but not due on borrowings	110.24	56.14

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

	Current maturities of long term debt	1,731.67	2,366.01
	Current maturities of finance lease obligations	23.92	25.65
	Unpaid dividend	0.01	0.01
	Employee related payable	273.29	224.12
	Government grants #	10.78	-
	Derivative liabilities	-	0.73
	Earnest money deposit	-	0.77
	Employee Security Deposits	15.75	-
	Other payables	4.99	7.81
	Total other financial liabilities	**2,170.65**	**2,681.24**
	Government Grants		
		31 March 2019	**31 March 2018**
	Opening balance		
	Grants received during the year	25.8	-
	Less: Reclassed to profit or loss	(15.03)	-
	Closing balance	**10.78**	**-**
27	**Other current liabilities**	**31 March 2019**	**31 March 2018**
	Statutory dues payable	35.70	97.89
	Advance received from customer	99.02	132.51
	Total other current liabilities	**134.72**	**230.40**
28	**Current tax liabilities (net)**	**31 March 2019**	**31 March 2018**
	Current tax payable (net)	-	3.00
	Total current tax liabilities (net)	**-**	**3.00**

29	**Revenue from operations**	**31 March 2019**	**31 March 2018**
	Finished goods[including excise duty Nil (31 March 2018: Rs. 14.34 Million)	11,633.11	10,968.38
	Traded goods	264.80	1,442.08
	Sale of services	140.60	6.20
	Other operating revenue	413.64	206.16
	Total revenue from operations	**12,452.15**	**12,622.82**
	Unsatisfied long-term contracts:		
	Aggregate amount of the transaction price allocated to the construction contracts that are partially or fully unsatisfied as at reproting date.	164.70	

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as economic factors. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 164.70 million out of which 90% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

	Reconciliation of revenue recognised:	**31 March 2019**	**31 March 2018**
	Gross revenue	12,069.33	
	Adjustment for:		
	Less : Sales return	30.82	
	Less : Discounts / Incentives	-	
	Revenue from operations	12,038.51	
30	**Other income**	**31 March 2019**	**31 March 2018**
	Interest income	29.85	33.86
	Provision for doubtful debts written back	-	6.49
	Foreign Exchange Gain (net)	137.83	198.57
	Gain on sale of asset	-	6.27
	Government grants #	15.03	-
	Miscellaneous income	29.11	61.21
	Total other income	**211.82**	**306.40**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

Government grants are related to Uttar Pradesh Skill Development Mission (Government of Uttar Pradesh, Department of Vocational Education and Skill Development) for placement linked skill development project under Deen Dayal Upadhyaya Grameen Kaushalya Yojna. There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance.

31	Cost of material consumed	31 March 2019	31 March 2018
(a)	**Raw materials consumed**		
	Inventory at the beginning of the year	167.56	212.78
	Add: Purchases	5,165.46	4,100.41
	Less: Inventory at the end of the year	(165.37)	(167.56)
	Cost of raw material consumed	**5,167.65**	**4,145.63**
(b)	**Consumables consumed**		
	Inventory at the beginning of the year	148.99	79.82
	Add : Purchases during the year	1,178.90	1,095.92
	Less: Inventory at the end of the year	(57.52)	(148.99)
	Cost of consumables consumed	1,270.37	1,026.75
	Total cost of material consumed (a+b)	**6,438.02**	**5,172.38**

32	Changes in inventories of finished goods, stock-in-trade and work-in-progress"	31 March 2019	31 March 2018
	Inventories at the beginning of the year		
	-Stock in trade	-	597.40
	-Work-in-progress	274.88	467.71
	-Finished goods	1,799.96	810.86
		2,074.84	**1,875.97**
	Less: Inventories at the end of the year		
	-Stock in trade	-	-
	-Work-in-progress	562.85	274.88
	-Finished goods	789.69	1,799.96
		1,352.53	**2,074.84**
	Net decrease/ (increase)	**722.31**	**(198.87)**

33	Employee benefits expense	31 March 2019	31 March 2018
	Salaries, wages, bonus and other allowances	1,766.77	1,818.48
	Contribution to provident and other funds	124.58	135.19
	Gratuity expenses (refer note 41)	26.92	26.79
	Staff welfare expenses	54.08	52.48
	Total employee benefits expense	**1,972.35**	**2,032.94**

34	Finance costs	31 March 2019	31 March 2018
	Interest expense		
	- On borrowings	938.45	973.27
	- On foreing currency convertible bonds	153.24	143.45
	Total finance costs	**1,091.69**	**1,116.72**

35	Depreciation and amortization expense	31 March 2019	31 March 2018
	Depreciation (refer note 5)	617.94	687.33
	Amortization (refer note 6)	86.38	69.45
	Total depreciation and amortization expense	**704.32**	**756.78**

36	Other expenses	31 March 2019	31 March 2018
	Consumption of stores and spares	130.11	148.55
	Power, fuel & electricity	358.37	403.49
	Job work charges	268.69	147.01
	Repairs and maintenance	23.07	34.93
	Rates and taxes	14.08	9.77
	Postage, telephone and fax	15.04	17.59
	Insurance	22.04	24.87

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

	Legal, professional and consultancy charges	75.22	73.32
	Printing and stationery	5.37	6.21
	Carriage and freight	324.17	459.49
	Brokerage & commission	18.87	18.38
	Travelling	67.17	63.34
	Advertising and sales promotion	28.12	31.55
	Rent	43.77	45.66
	Provision for doubtful debts/ advances	17.68	-
	Audit fees	5.56	5.99
	Loss on sale of asset	7.14	0.05
	Bad Debts Write off	-	35.39
	Corporate Social Responsibility (CSR)	0.80	0.45
	Miscellaneous expenses	115.02	83.71
	Total other expenses	**1,540.29**	**1,609.75**
	***Note : The following is the break-up of Auditors remuneration (exclusive of applicable taxes)**		
		31 March 2019	**31 March 2018**
	As auditor:	-	
	Statutory audit	4.12	3.77
	Limited review fees	0.70	0.60
	Tax audit	0.65	0.30
	Certification fees	-	0.03
	Other services	-	1.27
	Reimbursement of expenses	0.09	0.02
	Total	**5.56**	**5.99**
37	**Income tax**	**31 March 2019**	**31 March 2018**
(A)	**Deferred tax relates to the following:**		
	Deferred tax liabilities		
	On property, plant and equipment	672.28	676.84
	On unamortised transaction cost on borrowings	3.84	3.27
	On others	0.62	4.05
		676.74	**684.16**
	Deferred tax assets		
	On provision for employee benefits	(30.29)	(25.84)
	On provision for doubtful debts and deferred taxes	(11.39)	(5.81)
	On unabsorbed depreciation and carry forward business losses	(301.54)	(251.44)
	On capital losses	(16.94)	(21.01)
	On others	-	0.20
		(360.16)	**(303.90)**
	Deferred tax liabilities net	316.58	380.26
	Minimum Alternative Tax (MAT) entitlements	(279.76)	(279.50)
	Total Deferred tax liabilities net	**36.82**	**100.76**
(B)	**Deferred tax charge to be recognized in Statement of Profit and Loss**	**31 March 2019**	**31 March 2018**
	Deferred tax liabilities net	316.58	380.26
	Less: Opening Deferred tax liabilities	(380.26)	(349.06)
	Add: adjustment on account of exchange difference	-	(0.05)
	Less: Derecognition of Deferred tax liabilities on sale of subsidiary	1.35	-
	Deferred Tax expense for the year (A)	(62.33)	31.15
	Minimum Alternative Tax (MAT) entitlements:		
	Closing balances	(279.76)	(279.50)
	Less: Opening balances	279.50	278.18

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

	MAT credit for the year (B)	(0.26)	(1.32)
	Net impact on Statement of profit & loss (A+B)	(62.59)	29.83
(C)	**Income tax expense**	**31 March 2019**	**31 March 2018**
	Current tax	0.29	(0.59)
	MAT Charge for the prior year	0.26	-
	MAT Credit	(0.26)	(1.33)
	Deferred tax charge (excluding MAT credit entitlement)	(62.33)	31.17
	Tax for earlier years	5.75	-
	Total	**(56.30)**	**29.25**
(D)	**Reconciliation of effective tax rate**	**31 March 2019**	**31 March 2018**
	Profit/(Loss) before tax	(295.04)	(14.07)
	Enacted income tax rate in India	31.20%	30.90%
	Current tax expenses/(Credit) on Profit/(loss) before tax expenses at the enacted income tax rate in India	(92.05)	(4.35)
	Tax effects of:		
	Permanent disallowance	-	(0.08)
	Adjustment to deferred tax recognised in previous year	-	27.77
	Income Tax charge for previous years	5.75	-
	Different tax rate of subsidiaries operating in other jurisdictions	11.64	-
	Deferred tax assets not recongised for subsidiaries since realisation is not probable	9.12	-
	Others	9.25	5.91
	Income tax expense/(credit)	**(56.30)**	**29.25**

38 Discontinued Operations :

(a) Description

On 30 April, 2018, Nanofil Technologies Private Limited, a wholly owned subsidiary of the Company was disposed off and has been reported as discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the one month ended 30 April 2018 (31 March 2019 column) and the year ended 31 March 2018.

	31 March 2019	31 March 2018
Revenue	50.10	524.58
Expenses	40.61	522.46
Profit before income tax	**9.49**	**2.12**
Income Tax Expense		
Current Tax	-	0.47
Deferred tax (credit)/charge	(1.35)	0.52
Profit after income tax	10.84	1.13
Loss on sale of the subsidiary after income tax (see (c) below)	(7.63)	-
Profit from discontinued operation*	**3.21**	**1.13**
Net cash inflow from operating activities	10.84	5.78
Net cash inflow/(outflow) from investing activities ((31 March 2019 includes inflow of Rs. 20.63 million from the sale of the subsidiary)	20.63	(1.58)
Net cash (outflow) from financing activites	-	(0.75)
Net increase in cash generated from discontinued operation	**31.47**	**3.45**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

* The entire amount is attributable to equity holders of the company.

(c)	Details of Sale of Subsidiary	31 March 2019	31 March 2018
	Consideration received from sale of subsidiary	20.63	-
	Carrying Amounts of net assets sold	28.25	-
	Loss on sale before income tax	(7.63)	-
	Income tax expense	-	-
	Loss on sale after income tax	**(7.63)**	**-**

The carrying amounts of assets and liabilities as at the date of sale viz. 30 April 2018 were as follows:

	31 March 2019	31 March 2018
Property, plant and equipment	22.59	13.83
Intangible Assets	5.48	5.48
Inventories	3.19	5.26
Trade receivables	66.93	65.19
Cash and Cash Equivalents	102.98	91.35
Other current assets	7.20	52.37
Total Assets	208.36	233.48
Deferred Tax Liabilities	-	1.35
Other long term liabilties	9.99	2.91
Trade payables	165.09	200.96
Other current liabilities	4.54	10.37
Short Term Provisions	0.47	0.47
Total Liabilities	180.10	216.06
Net Assets	28.25	17.42

39	Loss per share	31 March 2019	31 March 2018
	The following reflects the income and share data used in the basic and diluted		
	loss per share computations:		
	Loss from continuing operations for the year attributable to:		
	Equity holders of the parent	(234.43)	(35.81)
	Non-controlling interest	(4.31)	(7.51)
	Profit from discontinued operation for the period attributable to:		
	Equity holders of the parent	3.21	-
	Non-controlling interest	-	-
	Loss attributable to equity holders from continuiung and discontinued operations	(231.22)	(35.81)
	Weighted average number of equity shares for basic loss per share	24.88	24.88
	Effect of dilution:		
	Foreign currency convertible bonds *	-	-
	Weighted average number of equity shares adjusted for the effect of dilution	24.88	24.88
	For Continuing operations		
	Basic loss per share (INR)	(9.42)	(1.44)
	Diluted loss per share (INR)	(9.42)	(1.44)
	For Discontinued operation		
	Basic Earnings per share (INR)	0.13	-
	Diluted Earnings per share (INR)	0.13	-
	For Continuing and Discontinued operations		
	Basic loss per share (INR)	(9.29)	(1.44)
	Diluted loss per share (INR)	(9.29)	(1.44)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

*The Company has Foreign currency convertible bonds as potential equity shares, which have been ignored in calculating diluted earning per share since conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities as these are anti-dilutive in nature.

40	Contingent liabilities, Contingent assets and Commitments	31 March 2019	31 March 2018
	Corporate guarantees given on behalf of:		
	- Related party	950.00	-
	- Others	20.11	-
	Disputed tax demands		
	-Income Tax	97.77	91.02
	-Sales tax/ VAT	58.27	60.38
	-Entry tax	13.89	13.89
	Customs and Excise	12.78	-
	Total contingent liabilities	**1,152.82**	**165.29**

Note:

1. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
2. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Contingent assets

Contingent assets as on 31 March 2019: Nil (31 March 2018: Nil)

	Commitments	31 March 2019	31 March 2018
	Estimated amount of contracts remaining to be executed on capital account and not provided for	15.54	-

41	Employee benefits	31 March 2019	31 March 2018
	The Group has the following employee benefit plans:		
(A)	Defined Contribution Plans: Employers' Contribution to Provident Fund and Employee		
	State Insurance Expense recognised during the year	124.58	135.19
(B)	Defined benefit plan: Gratuity payable to employees		
	Expense recognised during the year	26.92	26.79
I)	**Actuarial assumptions**	**31 March 2019**	**31 March 2018**
	Discount rate (per annum)	7.76%	8%
	Rate of increase in Salary	4.00%	4%
	"Expected average remaining working lives of employees (years) "	26.72	27.41
	Attrition rate		
	-upto 30 years	3%	3%
	-31 to 44 years	2%	2%
	-above 44	1%	1%

ii)	Changes in the present value of defined benefit obligation	Employee's gratuity fund	
		31 March 2019	31 March 2018
	Present value of obligation at the beginning of the year	**98.45**	**83.70**
	Current service cost	23.65	21.37
	Past service cost	-	1.20
	Interest cost	7.59	6.28
	Benefits paid	(7.15)	(8.06)
	Actuarial (gain)/ loss on obligations	(0.72)	(6.04)
	Present value of obligation at the end of the year	**121.82**	**98.45**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

iii) Change in the fair value of plan assets:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Opening fair value of plan assets	56.11	27.47
Expected return on plan assets	4.33	2.06
Contributions by employer	38.69	35.75
Benefits paid	(7.15)	(8.06)
Actuarial [losses]/ gains	(1.42)	(1.11)
Closing fair value of plan assets	**90.56**	**56.11**

iv) Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Liabilities at the end of the year	121.82	98.45
Fair value of plan assets at the end of the year	(90.56)	(56.11)
Liabilities recognised in the Balance Sheet (Classified as Non Current, Refer Note 23)	31.26	42.34
v) Actual return on plan assets:		
Expected return on plan assets	4.33	2.06
Actuarial [losses]/ gains on plan assets	(1.42)	(1.11)
Actual return on plan assets	2.91	0.95

vi) Expense recognized in the Statement of Profit and Loss	Employee's gratuity fund	
	31 March 2019	31 March 2018
Current service cost	23.65	21.37
Past service cost	-	1.20
Interest cost	3.26	4.22
Total expenses**	26.92	26.79
**Included in employee benefit expenses (Refer note 33)		
Other comprehensive income		
Actuarial gain / (loss) for the year on obligations	0.72	6.04
Actuarial gain /(loss) for the year on plan assets	(1.42)	(1.11)
Total actuarial [losses]/ gains to be recognised	**(0.69)**	**4.93**
Total expenses recognised in Statement of profit and loss	**27.61**	**21.86**

vii) Expected contribution to the fund in the next year	31 March 2019	31 March 2018
Gratuity	31.18	29.51

viii) A quantitative sensitivity analysis for significant is as shown below:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Impact on defined benefit obligation		
Discount rate		
0.5% increase	(7.06)	(5.87)
0.5% decrease	7.76	6.46
Rate of increase in salary		
0.5% increase	(7.92)	(6.62)
0.5% decrease	7.28	6.05

ix) Maturity profile of defined benefit obligation	Employee's gratuity fund	
	31 March 2019	31 March 2018
Year		
Apr 2018- Mar 2019	6.10	4.67
Apr 2019- Mar 2020	1.62	1.70
Apr 2020- Mar 2021	2.40	2.42
Apr 2021- Mar 2022	4.05	3.57
Apr 2022 onwards	107.65	86.10
	121.82	98.45

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

x) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	Employee's gratuity fund	
	31 March 2019	31 March 2018
Insurance policy with LIC Life Insurance (%)	100.00%	100.00%

42 Leases

Operating leases where Group is a lessee:

The Group has entered into lease transactions mainly for leasing of office premise for a period between 1 to 6 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to Rs. 43.77 (31 March 2018: Rs.45.66) included in Note 36.

Future minimum rentals payable under non-cancellable operating leases are, as follows:

	31 March 2019	31 March 2018
Within one year	9.19	13.53
After one year but not more than five years	19.27	11.54
More than five years	41.51	42.40

Finance leases where Group is a lessee

The Group has finance leases and hire purchase contracts for various items of plant and machinery. Further minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments (MLP) are as follow:

	31 March 2019		31 March 2018	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Within one year	29.19	23.92	29.67	25.65
After one year but not more than five years	43.01	34.57	77.50	57.00
More than five years	-	-	-	-
Total minimum lease payments	72.20	58.49	107.17	82.65
Less: amounts representing finance charge	(13.71)	-	(24.52)	-
Present Value of minimum lease payments	58.49	58.49	82.65	82.65

43 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Entities over which Key Management Personnel and their relatives have significant influence

i. Kalani Industries Private Limted
ii. Ecstasy Heights LLP
iii. Venetian Realty LLP
iv. Ambika Commercial LLP
v. Rising Sun Properties LLP
vi. Chitrakoot Mercantiles LLP
vii. Wanderland Real Estate Private Limited
viii. Herbal Dream Ayurveda Creations Private Limited

Key Management Personnel (KMP)

i. Mr. Saurabh Kalani, (Whole Time Director)
ii. Mr. Mahesh Sharma (Chief Executive Officer & Whole Time Director upto 30 May 2018)
iii. Mr. Ajay Mundra (Chief Financial officer)
iv. Mr. Akhilesh Agnihotri (Whole Time Director) (Resigned w.e.f 30 May 2017)
v. Ms. Madhuri Jethani (Company Secretary) (Resigned w.e.f 13 February 2018)
vi. Mr. Anand Khandelwal (Whole-Time Director)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

vii. Ms. Khushboo Kothari (Company Secretary)
viii. Mr. Bhuwan Modi (Independent Director)
ix. Mr. Anirudh Sonpal (Chairman)
x. Ms. Alka Sagar (Non Executive Woman Director)
xi. Mr. Ashish Jamidar (Whole-Time Director) (Joined w.e.f 14 August 2018)

Relatives of Key Management Personnel

i. Mrs. Padma Kalani (Mother of Mr. Saurabh Kalani)
ii. Mr. Manish Kalani (Brother of Mr. Saurabh Kalani)
iii. Mr. Kartikeya Kalani (Son of Mr. Saurabh Kalani)
iv. Mrs. Devakshi Kalani (Daughter in Law of Mr. Saurabh Kalani)
v. Mr. Vinayak Kalani (Son of Mr. Saurabh Kalani)
vi Mrs. Manju Mundra (Wife of Mr. Ajay Mundra)
vii. Mrs. Arni Jamidar (Wife of Mr. Ashish Jamidar)

Trust

i. Flexituff Ventures International Employees Group Gratuity Trust.

(B)	Details of transactions with related party in the ordinary course of business	31 March 2019	31 March 2018
(i)	**Sale of goods**		
	Wanderland Real Estate Private Limited	1,021.96	-
(ii)	**Purchase of goods**		
	Wanderland Real Estate Private Limited	0.28	-
	Herbal Dream Ayurveda Creations Private Limited	0.31	-
	Total	**0.59**	**-**
(iii)	**Rent expenses**		
	Kalani Industries Private Limited	0.85	0.85
	Herbal Dream Ayurveda Creations Private Limited	1.15	-
	Mr. Manish Kalani	0.29	0.22
	Mrs. Padma Kalani	0.20	0.24
	Total	**2.49**	**1.31**
(iv)	**Salaries, wages, bonus and other allowances**		
	Mr. Kartikeya Kalani	6.32	5.35
	Mr. Ajay Mundra	3.67	3.45
	Mrs. Manju Mundra	1.73	1.06
	Ms. Madhuri Jethani	-	0.21
	Mrs. Devakshi Kalani	2.63	2.45
	Mrs. Arni Jamidar	1.12	-
	Mrs. Khushboo Kothari	0.69	0.08
	Total	**16.16**	**12.60**
(v)	**Managerial remuneration**		
	Mr. Saurabh Kalani	2.97	2.58
	Mr. Mahesh Sharma	1.78	11.28
	Mr. Akhilesh Agnihotri	-	0.35
	Mr. Ashish Jamidar	1.26	-
	Mr. Anand Khandelwal	1.12	0.67
	Total	**7.13**	**14.88**
(vi)	**Sitting Fees**		
	Ms. Alka Sagar	0.04	0.05
	Mr. Anirudh Sonpal	0.04	0.05
	Mr. Bhuwan Modi	0.04	0.04
	Mr. Parag Gupta	-	0.03
	Total	**0.12**	**0.17**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

	31 March 2019	31 March 2018
(vii) Loan taken during the year		
Wanderland Real Estate Private Limited	664.66	-
(viii) Security Deposits given		
Herbal Dream Ayurveda Creations Private Limited	1.50	-
(ix) Employee Security Deposits taken		
Mr. Ajay Mundra	3.65	-
Mrs. Manju Mundra	1.70	-
Total	**5.35**	**-**
(x) Loans and Advances repaid during the year		
High Tech Construction	1.00	-
Mayur Kartick Barooah	7.02	-
Sanyug Enterprises	1.44	-
Bhudheswar Das	0.29	-
Total	**9.75**	**-**
(x) Travelling Advances given during the year (net)		
Mr. Saurabh Kalani	0.56	-
(c) Amount due to/from related party as on:	**31 March 2019**	**31 March 2018**
(i) Trade payables		
Kalani Industries Private Limited	1.03	-
Herbal Dream Ayurveda Creations Private Limited	0.02	-
Mr. Manish Kalani	0.50	0.17
Mrs. Padma Kalani	0.48	0.22
Total	**2.03**	**0.39**
(ii) Loan Outstanding		
Wanderland Real Estate Private Limited	664.66	-
(iii) Travelling Advances		
Mr. Saurabh Kalani	0.60	0.04
(iv) Security Deposits given		
Herbal Dream Ayurveda Creations Private Limited	1.50	-
(v) Employee Security Deposits taken		
Mr. Ajay Mundra	3.65	-
Mrs. Manju Mundra	1.70	-
Total	**5.35**	**-**
(vi) Trade receivables		
Wanderland Real Estate Private Limited	596.80	-
(vii) Loans and Advances given		
High Tech Construction	-	1.00
Mayur Kartick Barooah	-	7.02
Sanyug Enterprises	-	1.44
Bhudheswar Das	-	0.29
Total	**-**	**9.75**
(viiI) Corporate Guarantee Given		
Wanderland Real Estates Private Limited	950.00	-

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken 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 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.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

The Group does not receive 10% or more of its revenue from transactions with any single external customer.

The amount of its revenue from external customers, broken down by location of its customers is shown in the table below.

Revenue from external customers	31 March 2019	31 March 2018
India	5,599.85	3,880.22
USA	2,892.74	2,718.22
Singapore	520.93	1,378.54
Other countries	3,438.63	4,645.84
	12,452.15	**12,622.82**

The amount of non-current assets other than financial instruments, broken down by location of the asset is shown in the table below:

Non-current asset	31 March 2019	31 March 2018
India	6,144.54	6,455.50
UK	-	3.21
	6,144.54	**6,458.71**

45(a). Interest in other entities

Subsidiaries

The group's subsidiaries as at 31 March 2019 are set out below. Unless otherwise started they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Interest held by non controlling interest		Principal activities
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	
Nanofil Technologies Private limited (upto 30 April, 2018)	India	-	-	-	-	Manufacturing
Flexiglobal Holding Ltd.	Cyprus	100%	100%	-	-	Investment Company
Flexiglobal (UK) Limited #	UK	100%	100%	-	-	Trading Company
Flexituff Technology International Ltd(formerly known as Flexituff FIBC Ltd)	India	100%	100%	-	-	Trading Company
Flexituff SA Enterprises LLP*	India	75%	75%	25%	25%	Government Contracting
Flexituff Javed LLP*	India	80%	80%	20%	20%	Government Contracting
Flexituff Hi Tech LLP*	India	80%	80%	20%	20%	Government Contracting
Ujjivan Luit LLP*	India	51%	51%	49%	49%	Government Contracting
Flexituff Sailendra Kalita LLP *	India	80%	80%	20%	20%	Government Contracting
Budheswar Das Flexituff International Limited JV **	India	45%	45%	55%	55%	Government Contracting
Sanyug Enterprise Flexituff International Limited JV **	India	80%	80%	20%	20%	Government Contracting
Vishnu Construction Flexituff International Limited JV **	India	75%	75%	25%	25%	Government Contracting
Mayur Kartick Barooah Flexituff International Limited JV **	India	50%	50%	50%	50%	Government Contracting
Flexituff Sailendra Kalita JV **	India	75%	75%	25%	25%	Government Contracting
Flexituff Pulin Borgohain JV **	India	75%	75%	25%	25%	Government Contracting

indirect subsidiary through Flexiglobal holdings Ltd.

* Limited liability partneship - ownership through capital

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

Significant estimates and judgements: The directors have concluded that the group controls Budheshwar Das Flexituff International Limited JV and Mayur Kartick Barooah Flexituff International JV since the group directs all relevant activities of these entities.

For disclosure mandated by Schedule III of Companies Act 2013, by way of additional information refer below:

Statement of Net assets and profit and loss attributable to owners and non controlling interests:

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

Name of the entity in the group	Net assets (total assets less total liabilities)		Share in Profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As a % of consolidated assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Flexituff Ventures International Limited								
31 March 2019	101.33%	3,671.48	75.90%	(178.76)	24.17%	-0.48	75.47%	(179.24)
31 March 2018	99.19%	3,829.58	54.13%	(23.45)	100.00%	4.46	48.86%	(18.99)
Subsidiaries								
Indian								
"Nanofil Technologies Private Limited (discontinued -April 30, 2018)"								
31 March 2019	0.00%	-	-1.36%	3.21	0.00%	-	-1.35%	3.21
31 March 2018	0.45%	17.38	-2.06%	0.89	0.00%	-	-2.30%	0.89
"Flexituff Technology International Limited known as Flexituff FIBC Limited)"								
31 March 2019	0.00%	(0.07)	0.02%	(0.05)	0.00%	-	0.02%	(0.05)
31 March 2018	0.00%	0.02	-0.27%	0.12	0.00%	-	-0.30%	0.12
Flexituff SA Enterprises LLP								
31 March 2019	-0.47%	(16.85)	-0.12%	0.28	0.00%	-	-0.12%	0.28
31 March 2018	-0.44%	(17.13)	28.90%	(12.52)	0.00%	-	32.21%	(12.52)
Flexituff Javed LLP								
31 March 2019	-1.07%	(38.86)	8.38%	(19.73)	0.00%	-	8.31%	(19.73)
31 March 2018	-0.50%	(19.14)	34.65%	(15.01)	0.00%	-	38.63%	(15.01)
Flexituff Hi Tech LLP								
31 March 2019	-0.04%	(1.40)	1.35%	(3.17)	0.00%	-	1.34%	(3.17)
31 March 2018	0.05%	1.77	4.58%	(1.98)	0.00%	-	5.10%	(1.98)
Ujjivan Luit LLP								
31 March 2019	-0.04%	(1.37)	-0.33%	0.79	0.00%	-	-0.33%	0.79
31 March 2018	-0.06%	(2.15)	3.71%	(1.61)	0.00%	-	4.13%	(1.61)
Flexituff Sailendra Kalita LLP								
31 March 2019	-0.08%	(2.94)	0.40%	(0.93)	0.00%	-	0.39%	(0.93)
31 March 2018	-0.05%	(2.01)	2.29%	(0.99)	0.00%	-	2.56%	(0.99)
Budheswar Das Flexituff International Limited JV								
31 March 2019	0.11%	3.93	-0.74%	1.75	0.00%	-	-0.74%	1.75
31 March 2018	0.07%	2.58	-5.95%	2.58	0.00%	-	-6.63%	2.58
Sanyug Enterprise Flexituff International Limited JV								
31 March 2019	0.01%	0.42	0.27%	(0.64)	0.00%	-	0.27%	(0.64)
31 March 2018	0.02%	0.90	-2.07%	0.90	0.00%	-	-2.31%	0.90
Vishnu Construction Flexituff International Limited JV								
31 March 2019	-0.03%	(1.07)	0.84%	(1.98)	0.00%	-	0.83%	(1.98)
31 March 2018	0.02%	0.81	-1.86%	0.81	0.00%	-	-2.08%	0.81
Mayur Kartick Barooah Flexituff International Limited JV								
31 March 2019	-0.03%	(1.12)	1.15%	(2.71)	0.00%	-	1.14%	(2.71)
31 March 2018	0.04%	1.37	-3.16%	1.37	0.00%	-	-3.52%	1.37
Sailendra Kalita JV								
31 March 2019	0.00%	0.03	-0.09%	0.21	0.00%	-	-0.09%	0.21
31 March 2018	0.00%	(0.13)	0.31%	(0.13)	0.00%	-	0.34%	(0.13)
Pulin Borgohain JV								
31 March 2019	0.06%	2.14	-0.95%	2.23	0.00%	-	-0.94%	2.23
31 March 2018	0.00%	(0.03)	0.08%	(0.03)	0.00%	-	0.09%	(0.03)
Foreign subsidiaries								
Flexiglobal Holding Limited								
31 March 2019	-0.15%	(5.37)	0.38%	(0.90)	0.00%	-	0.38%	(0.90)
31 March 2018	-0.09%	(3.51)	2.56%	(1.11)	0.00%	-	2.86%	(1.11)
Flexiglobal UK Limited (indirect subsidiary)								
31 March 2019	0.40%	14.41	14.91%	(35.13)	75.83%	(1.49)	15.42%	(36.62)
31 March 2018	1.29%	50.55	-15.87%	6.87	0.00%	-	-17.69%	6.87
31 March 2019	**100%**	**3,623.36**	**100%**	**(235.53)**	**100%**	**(1.97)**	**100%**	**(237.50)**
31 March 2018	**100%**	**3,860.86**	**100%**	**(43.32)**	**100%**	**4.46**	**100%**	**(38.86)**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

45(b). Non controlling interests

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

	31 March 2019	31 March 2018
Non current assets	1.16	6.22
Current assets	154.92	239.73
Current liabilities	(169.61)	(255.16)
Net liabilities attributable to non controlling interests	(13.52)	(9.21)
	31 March 2019	**31 March 2018**
Profit / (loss) for the year attributable to non controlling interests	(4.31)	(7.51)
Othe comprehensive income	-	-
Total commprehensive income	**(4.31)**	**(7.51)**

46 Fair values of financial assets and financial liabilities

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortized cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

"Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets. "

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Investments in Equity Instruments - Unquoted	7	-	0.01	-	0.01	0.01
Non current Fixed deposits	9	127.32	-	-	127.32	127.32
Security deposit	9	101.57	-	-	101.57	101.57
Trade receivable	13	3,962.25	-	-	3,962.25	3,962.25
Non current Loans	16	14.81	-	-	14.81	14.81
Other financial assets	17	204.30	5.71	-	210.01	210.01
Cash and cash equivalents	14	48.21	-	-	48.21	48.21
Bank balances other than cash and cash equivalent	15	159.87	-	-	159.87	159.87
Liabilities						
Long term Borrowings	22	2,858.56	-	-	2,858.56	2,858.56
Short term borrowings	24	2,649.92	-	-	2,649.92	2,649.92
Trade payables	25	2,624.86	-	-	2,624.86	2,624.86
Other financial liabilities	26	2,170.65	-	-	2,170.65	2,170.65

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows

Particulars	Note	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Assets						
Non current Fixed deposits	9	155.95	-	-	155.95	155.95
Security deposit	9	97.11	-	-	97.11	97.11
Trade receivable	13	3,751.79	-	-	3,751.79	3,751.79
Non current Loans	16	22.67	-	-	22.67	22.67
Other financial assets	17	117.58	-	-	117.58	117.58
Cash and cash equivalents	14	89.75	-	-	89.75	89.75
Bank balances other than cash and cash equivalent	15	72.39	-	-	72.39	72.39
Liabilities						
Long term Borrowings	22	2,191.60	-	-	2,191.60	2,191.60
Short term borrowings	24	2,695.39	-	-	2,695.39	2,695.39
Trade payables	25	2,573.59	-	-	2,573.59	2,573.59
Other financial liabilities	26	2,680.51	0.73	-	2,681.24	2,681.24

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	31 March 2019	31 March 2018
Level 2		
Financial assets measured at fair value through profit or loss	5.71	-
Derivative financial instruments crystallised, pending settlement		
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments	-	0.73
Level 3		
Investments in Equity Instruments	0.01	-
Unquoted equity instruments		
Financial assets measured at amortized cost		
Non current Fixed deposit	127.32	155.95
Security deposit	101.57	97.11

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

	31 March 2019	31 March 2018
Trade receivable	3,962.25	3,751.79
Loans	14.81	22.67
Other financial assets	204.30	117.58
Cash and cash equivalents	48.21	89.75
Other Bank balances	159.87	72.39
Financial liabilities measured at amortized cost		
Long term Borrowings	2,858.56	2,191.60
Short term borrowings	2,649.92	2,695.39
Trade payables	2,624.86	2,573.59
Other financial liabilities	**2,170.65**	**2,680.51**

48 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Groups' risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Groups' exposure to the risk of changes in market interest rates relates primarily to the Groups' long-term debt obligations with floating interest rates.The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Groups' profit before tax is affected through the impact on floating rate borrowings, as follows:

	"Increase/ decreasein basis points"	"Effect on profit / loss before tax"
2019		
INR	+50	(15.91)
INR	-50	15.91
2018		
INR	+50	(16.64)
INR	-50	16.64

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. millions, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Groups' exposure to the risk of changes in foreign exchange rates relates primarily to the Groups' operating activities (when revenue or expense is denominated in a different currency from the Groups' functional currency).

Derivate outstanding as at the reporting date **(Foreign currency in million)**

Particulars	31 March 2019	31 March 2018
Forward contract to sell USD	-	5.00
Forward contract to sell EURO	-	1.50
Forward contract to sell GBP		3.00

The following table shows foreign currency exposures receivable and payable at the end of the reporting period

Particulars		31 March 2019		31 March 2018	
		Foreign currency in million	Rs. in million	Foreign currency in million	Rs. in Million
Assets					
Cash & cash equivalents	GBP	0.06	5.52	0.06	5.60
Trade Recievables	USD	14.69	1,016.13	15.68	1,020.03
	GBP	2.33	210.44	9.22	851.02
	EURO	0.53	41.26	0.86	69.22
	CAD	0.06	2.95	0.07	3.32
	AUD	0.04	1.77	-	-
Loans	GBP	0.16	14.81	-	-
Other receivables	GBP	0.14	2.08	-	-
Capital Advance	EURO	0.12	9.20	0.39	31.23
Liabilities					
Short term borrowings	GBP	-	-	0.63	58.51
Other current financial liabilities	GBP	-	-	0.18	16.18
Foreign Currency Convertible Bonds	USD	31.50	2,178.90	34.00	2,211.50
Trade Payables	USD	0.79	54.44	0.89	58.15
	EURO	0.17	13.27	0.04	3.21
	GBP	0.20	17.93	1.34	123.81
Advance From Customers	USD	0.17	11.63	0.23	14.95
	EURO	0.00	0.27	-	-
	GBP	0.00	0.18	-	-
Finance Lease Obligations	CHF	-	-	0.13	8.81
Deferred Payment Liabilities	EURO	-	-	0.02	1.61
Other payables	GBP	0.00	0.17	0.00	0.15

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Groups' profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019 (All amounts in Rs. millions, unless otherwise stated)

	Effect on profit / loss - gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Assets				
Cash & cash equivalents	0.28	0.28	(0.28)	(0.28)
Trade Recievables	63.63	97.18	(63.63)	(97.18)
Loans	0.74	-	(0.74)	-
Other receivables	0.10	-	(0.10)	-
Capital Advance	0.46	1.56	(0.46)	(1.56)
Liabilities				
Other Current Financial Liabilites	-	(0.81)	-	0.81
Short term borrowings	-	(2.93)	-	2.93
Foreign Currency Convertible Bonds	(108.94)	(110.57)	108.94	110.57
Trade Payables	(4.28)	(9.26)	4.28	9.26
Advance From Customers	(0.60)	(0.75)	0.60	0.75
Finance Lease Obligations	-	(0.44)	-	0.44
Deferred Payment Liabilities	-	(0.08)	-	0.08
Other payables	(0.01)	(0.01)	0.01	0.01

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is primarily attributable to the Groups' trade and other receivables. The amounts presented in this consolidated statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

	31 March 2019	31 March 2018
Not due	1,161.76	385.49
0-3 months	1,442.65	1,743.53
3-6 months	320.68	373.61
6 months to 12 months	408.32	534.95
beyond 12 months	628.85	714.21
	3,962.25	3,751.79

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

	31 March 2019	31 March 2018
Opening provision	18.82	25.30
Add: additional provision made	17.67	-
Less: Provision written back	-	(6.48)
Closing provisions	36.49	18.82

(C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Groups' net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Groups' financial liabilities:

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2019						
Long-term borrowings	-	-	-		2,858.56 -	2,858.56
Short term borrowings	2,649.92	-	-	-	-	2,649.92
Trade payables	-	2,624.86	-	-	-	2,624.86
Other financial liability	-	1,454.81	715.84	-	-	2,170.65
	2,649.92	**4,079.67**	**715.84**	**2,858.56**	**-**	**10,303.99**
31 March 2018						
Long-term borrowings	-	-	-	2,191.60	-	2,191.60
Short term borrowings	2,695.39	-	-	-	-	2,695.39
Trade payables	-	2,573.59	-	-	-	2,573.59
Other financial liability	-	-	2,681.24	-	-	2,681.24
	2,695.39	**2,573.59**	**2,681.24**	**2,191.60**	**-**	**10,141.82**

49 Capital management

For the purpose of the Groups' capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Groups' capital management is to maximize the shareholder value and to ensure the Groups' ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2019	31 March 2018
Total equity	(i)	3,636.88	3,870.07
Total debt	(ii)	7,240.15	7,253.00
Overall financing	(iii) = (i) + (ii)	10,877.03	11,123.06
Gearing ratio	(ii)/ (iii)	0.67	0.65

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018 .

50 Corporate Social Responsibility

	31 March 2019	31 March 2018
Gross amount required to be spent :	0.77	1.53

	31 March 2019		31 March 2018	
	Yet to be paid in Cash	Total	Yet to be paid in Cash	Total
Amount Spent during the year				
`i. construction/ acquisition of any asset				
- under the control of the Group for future use	-	-	-	-
- not under the contol of Group for future use	-	-	-	-
ii. On purpose other than (i) above	-	0.80	-	0.45
	-	**0.80**	**-**	**0.45**
Less: Amount Capitalized as CSR Assets	-	-	-	-
	-	**0.80**	**-**	**0.45**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

51 During the year, the Group has disposed off its entire shareholding in its subsidiary Nanofil Technologies Private Limited on 30 April 2018 at a consideration of Rs. 20.63 millions. Consequently, the group has recognised net profit on disposal of investment in discontinued operations amounting to Rs. 3.21 millions.

52 Based on the Honourable Supreme Court Judgement dated February 28, 2019, the Group was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. However, the Group believes that there will be no impact and hence has not provided for any additional liability as on March 31, 2019 in the books of account.

53 The name of the Company has been changed from "Flexituff International Limited" to "Flexituff Ventures International Limited" w.e.f. September 28, 2018.

54 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

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

Amrish Vaidya
Partner
Membership No: 101739

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No.: 112318W

Rajeev Kumar Dubey
Partner
Membership No.: 407139

Place: Pithampur
Date: May 24, 2019

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

Saurabh Kalani
Whole time director
DIN: 00699380

Ajay Mundra
Chief Finance Officer

Place: Pithampur
Date: May 24, 2019

Anand Khandelwal
Whole time director
DIN: 07889346

Khushboo Kothari
Company Secretary
Membership No: F10081

Dear Member,

We are pleased to invite you to attend the 26th Annual General Meeting of Flexituff Ventures International Limited to be held on Wednesday, 18th September, 2019 at 12:30 PM at C 41-50, SEZ, Sector -3, Pithampur, Dist. Dhar (M.P.) - 454775.

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013 read with the related rules along with applicable Secretarial Standards and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all the resolutions set forth in the Notice. The instructions for e-voting are enclosed herewith.

By Order of the Board of Directors
Flexituff Ventures International Limited

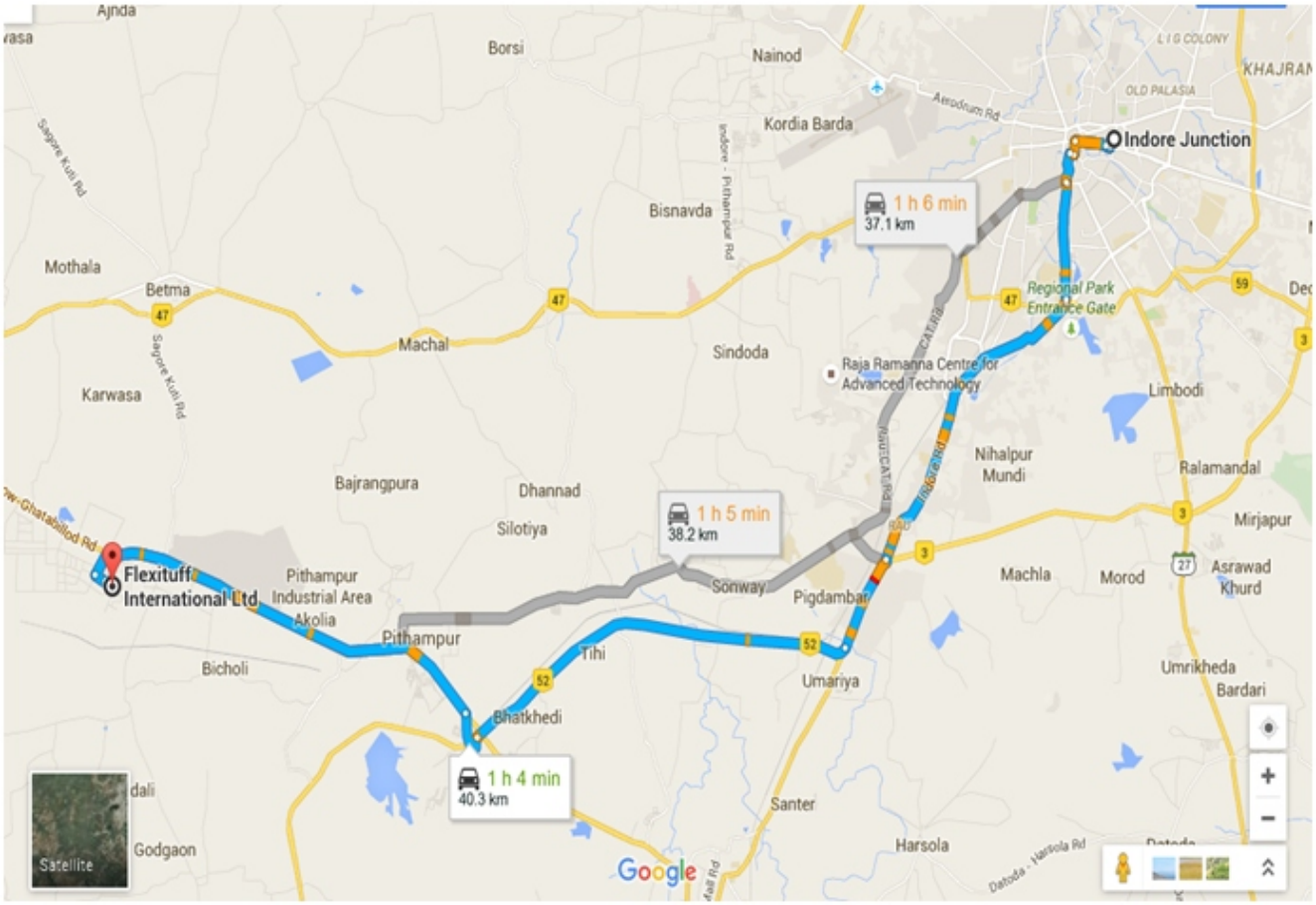
Khushboo Kothari
Company Secretary

Enclosures:

1. Route Map
2. Notice to the 26th Annual General Meeting
3. Proxy form
4. Attendance slip

Route Map to the venue of the AGM

Indore Junction to Flexituff Ventures International Limited Drive 40.3 Km, 1h 4 min



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF FLEXITUFF VENTURES INTERNATIONAL LIMITED WILL BE HELD ON WEDNESDAY, 18TH SEPTEMBER, 2019, AT 12:30 PM AT THE REGISTERED OFFICE OF THE COMPANY AT C41-50, SEZ, SECTOR -3, PITHAMPUR, DIST. DHAR (M.P.) - 454775, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon;
2. To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the report of Auditors thereon.
3. To appoint a director in place of Mr. Anand Khandelwal (DIN: 07889346), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. **Re-appointment of Mr. Anirudh Chittaranjan Sonpal (DIN:03367049) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 24th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Anirudh Chittaranjan Sonpal (DIN: 03367049), who holds office as Independent Director upto the conclusion of this Annual General Meeting and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company upto the conclusion of 31st Annual General Meeting of the Company;

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

By Order of the Board of Directors

Flexituff Ventures International Limited

Place: Pithampur
Date: 24/05/2019

Khushboo Kothari
Company Secretary

NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A BLANK PROXY FORM (MGT-11) IS ENCLOSED.**
2. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board resolution to the Company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM is annexed hereto.
5. Members/Proxy/Authorised Representative attending the AGM are requested to bring with them the Attendance Slip attached to the Notice duly filled in and signed and handover the same at the entrance of place of the AGM. Proxy/representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be.
6. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
7. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to the Company's Registrar & Share Transfer Agent quoting their registered folio number.
8. Members desirous of having any information regarding accounts are requested to send their queries at the registered office of the Company at least seven days before the date of the AGM so that the requisite information is made available at the AGM.
9. Members may also note that the Notice of the AGM will be available on the Company's website www.flexituff.com
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, and Circulars etc. from the Company electronically.
11. Relevant Documents referred to in the accompanying notice and the explanatory statement are open for inspection by the members at the registered office of the Company during the office hours on all working days upto the date of AGM.
12. Voting through electronic means:

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility for its Members to enable them to cast their votes on the resolution electronically. For this purpose, the Company has appointed CDSL for facilitating remote e-voting.

Kindly note that the members can opt for only one mode of voting i.e. either physical or e-voting. If you are opting for e-voting, then do not vote by physical and vice versa. In case Members cast their vote by both physical and e-voting, it may be noted that vote cast by them by e-voting shall prevail and votes cast through physical will be treated as invalid. Link Intime India Private Limited, Registrar and Transfer Agents of the Company will be facilitating e-voting to enable the Members to cast their votes electronically.

Instructions and other information relating to remote e-voting are as under:

(i) The voting period begins on 15th September, 2019 at 10.00 A.M. IST and ends on 17th September, 2019 at

5.00 P.M. IST. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 6th September, 2019 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 AGM venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com

(iv) Click on Shareholders.

(v) Now Enter your User ID:

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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 as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for **Flexituff Ventures International Limited** on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non - Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the

stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any Person who has acquired shares and become member of the Company after the dispatch of the Notice of the AGM but before the cut-off date of 6th September, 2019, may follow the same instructions as mentioned above for e-voting.

(xxii) Persons whose names are recorded in the register of members maintained by registrar as on cut-off date i.e. 6th September, 2019 shall only avail the facility of remote e-voting or voting through ballot paper/polling paper at the venue of the AGM.

(xxiii) The Board of directors in their meeting held on 24th May, 2019 has appointed M/s. Ritesh Gupta & Co., Practicing Company Secretary, Indore as Scrutinizer to scrutinize the e-voting & ballot process in fair and transparent manner.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQ") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or members are requested to contact:

Ms. Khushboo Kothari (Company Secretary)

Email: cs@flexituff.com;

Contact No. : 07292-420200.

By Order of the Board of Directors

Flexituff Ventures International Limited

Place: Pithampur
Date: 24/05/2019

Khushboo Kothari
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

ITEM No. 4.

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 21st Annual General Meeting held on 30th September, 2014, Mr. Anirudh Chittaranjan Sonpal was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto the conclusion of the ensuing Annual General Meeting of the Company. Since, Mr. Anirudh Chittaranjan Sonpal will complete his initial term as an Independent Director of the Company on 30th September, 2019, he is eligible for re-appointment for one more term.

Mr. Anirudh Chittaranjan Sonpal, aged 59 years, is a fellow member of the Institute of Chartered Accountants of India. He is on the Board of the Company since 9th December, 2010. He has more than 30 years of working experience of handling functional areas of Internal, Management & Operations Audit, Internal Controls, Risk Management, Corporate Governance and Indirect Taxes. He is the Chairman of Audit Committee of the Company. As on 31st March, 2019, he does not hold any shares of the Company.

The Nomination & Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation, has recommended re-appointment of Mr. Anirudh Chittranjan Sonpal as Independent Director for a second term of 5 (Five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation & recommendation of Nomination & Remuneration Committee, considers that, given his background, experience and contributions, the continued association of Mr. Anirudh Sonpal would be beneficial to the Company and is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Anirudh Sonpal as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years on Board of the Company.

Mr. Anirudh Sonpal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has also received a declaration from Mr. Anirudh Chittaranjan Sonpal, confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the Listing Regulations, as amended from time to time.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature of Mr. Anirudh Chittaranjan Sonpal to be re-appointed as an Independent Director of the Company as per the provisions of the Companies Act, 2013.

A copy of the draft letter for re-appointment of Mr. Anirudh Chittaranjan Sonpal setting out the terms and conditions of re-appointment is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board commends the Special Resolution set out in item No. 4 of the Notice for approval of the members.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Mr. Anirudh Chittaranjan Sonpal as an Independent Director of the Company.

Save and Except Mr. Anirudh Chittaranjan Sonpal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Anand Khandelwal	Mr. Anirudh Chittaranjan Sonpal
DIN	07889346	03367049
Date of Birth	16th October, 1967	3rd February, 1960
Age	51 Years	59 Years
Appointment/Re-appointment	Re-appointment	Re-appointment
Qualifications	B.Com	Chartered Accountant
Expertise in specific functional area	He has Graduated from Devi Ahilya Vishwavidyalaya. He is associated with the Company for more than 2 decades. He has versatile experience in Raw Material Management.	He has graduated from Sydenham College of Commerce & Economics, Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India. His core areas of practice include Internal, Management & Operations Audit, Internal Controls, Risk Management, Corporate Governance and Indirect Taxes. He has actively participated in the activities of the ICAI at Branch and Regional levels. He has been nominated by various forums and associations in their committees. He has presented papers at various seminars organized by professional bodies and industry associations.
Date of first Appointment on the Board of the Company	24th July, 2017	9th December, 2010
Shareholding in Flexituff Ventures International Limited	Nil	Nil
Terms and conditions of re-appointment	Terms and Conditions of re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company website i.e. www.flexituff.com	Terms and Conditions of re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company website i.e. www.flexituff.com
Remuneration last drawn	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance
Number of Meetings of the Board attended during the year	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance
List of Directorship held in other companies	Flexituff Technology International Limited	-----
Membership / Chairmanship in Committees of other companies as on date	Nil	Nil
Relationships between Directors or and other Key Managerial Personnel inter-se	Nil	Nil

Form MGT-11 (Proxy Form)

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

FLEXITUFF VENTURES INTERNATIONAL LIMITED

CIN: L25202MP1993PLC034616

Regd. Office: C41-50 SEZ, Sector-3, Pithampur,
Dist. Dhar (M.P.) 454775

Name of Member(s):	
Registered address:	
Email Id:	
Folio No./Client Id:	
DP Id:	

I/We, being the member (s) of ……shares of the above named

Company, hereby appoint:

1. Name: ……
   Address: ……
   Email Id: ……
   Signature: …… or failing him/her
2. Name: ……
   Address: ……
   Email Id: ……
   Signature: ……, or failing him/her
3. Name: ……
   Address: ……
   Email Id: ……
   Signature: ……

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Wednesday, 18th September, 2019 at 12:30 pm at C 41-50, SEZ, Sector-3, Pithampur, Dist. Dhar, Madhya Pradesh - 454775 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Please mention number of Shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Standalone Financial Statements for the year ended 31st March, 2018			
2.	Adoption of Audited Consolidated Financial Statements for the year ended 31st March, 2018			
3.	Appointment of Mr. Anand Khandelwal (DIN: 07889346) as Director, who retires by rotation & being eligible offers himself for re-appointment			
Special Business				
4.	Appointment of Mr. Anirudh Chittaranjan Sonpal (03367049) as an Independent Director of the Company			

Signed this…..... day of……..… 2019

……..... ……

Signature of Proxy holder Signature of Shareholder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than FORTY EIGHT (48) hours before the commencement of the Meeting.

……..……..Please tear here…..…….....……

ATTENDANCE SLIP

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN: L25202MP1993PLC034616
Regd. Office: C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775

26th Annual General Meeting - 18th September, 2019

Regd. Folio No./ DP ID*, Client ID*	
No. of Share (s) held	

I certify that I am a member / proxy / authorized representative for the member of the Company. I/ We hereby record my/our presence at the 26th Annual General Meeting of the Company at C 41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775, held on Wednesday, 18th September, 2019 at 12:30 pm.

Name of the member/proxy
(in Block Letters)

Signature of the member / proxy

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

FlexiTuff
VENTURES

Flexituff Ventures International Limited
(formerly Flexituff International Limited)
C 41-50, S.E.Z., Sector III, Pithampur- 454 775
Dist. Dhar, Madhya Pradesh, INDIA
(T): +91-7292-401681, 82, 83, (F): +91-7292-401684
(E): mail@flexituff.com, (W): www.flexituff.com