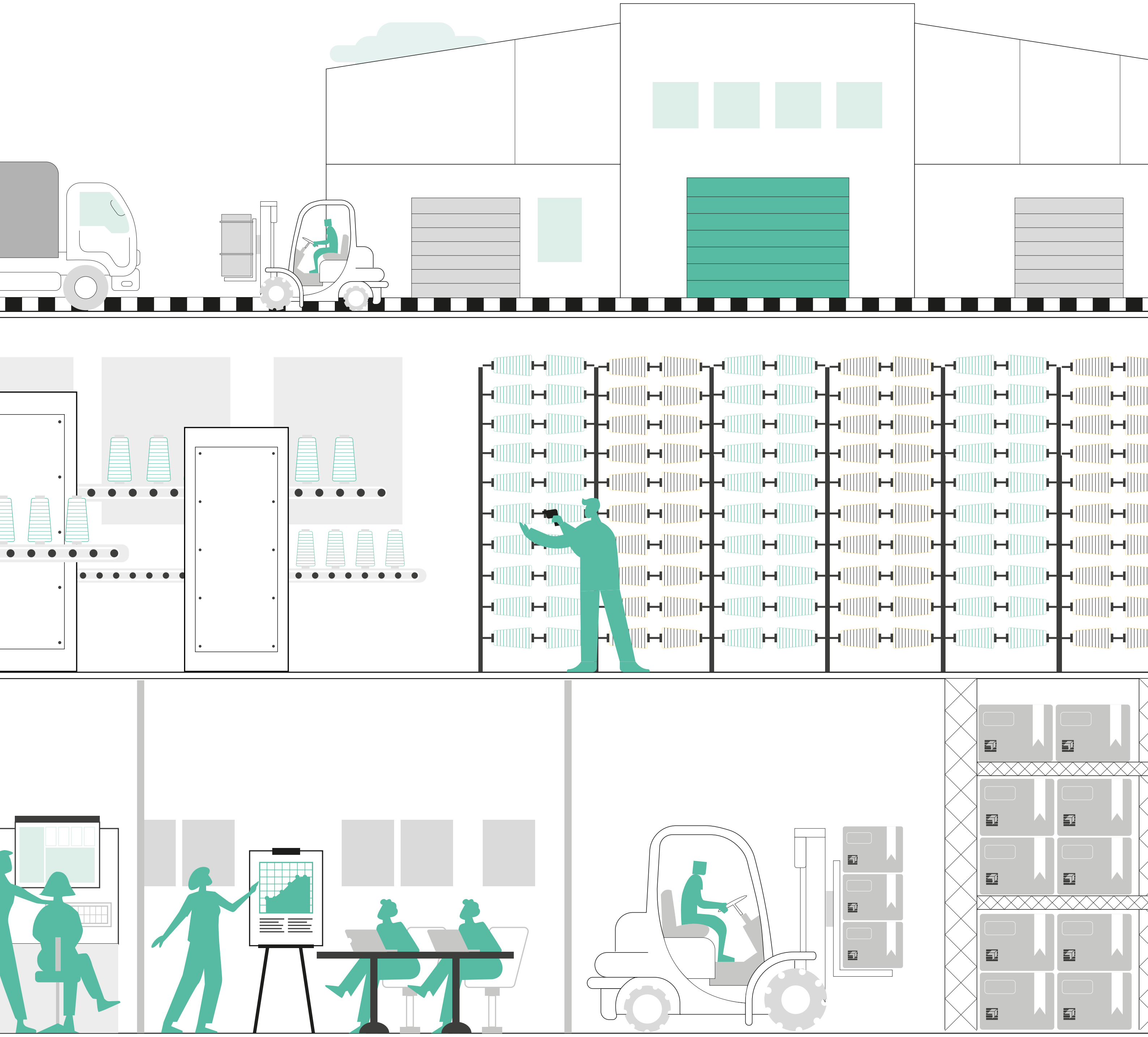


Growth with purpose

FILATEX INDIA LIMITED
ANNUAL REPORT **2021-22**

We believe sustainability is not an option but the only way forward...

Companies are no longer treating sustainability as merely a compliance and reputation factor but are recognizing it as a viable path for improvement in governance and business growth.

This Annual Report gives a glimpse into the world of Filatex and its strategy of 'Growth with Purpose'.

We keep creating a new datum and we benchmark our growth with purpose

Purposeful growth is one that helps a business to drive responsible and sustainable business models. At Filatex, we strive to be a purposeful business – one that is responsible towards itself, its stakeholders and the external environment.

We make incremental changes to our processes, work towards cost savings, use innovation to make our processes more efficient and contribute to the betterment of the environment and society.

We are agile and have the ability to adapt to the changing environment, trends and customer demands.

We remain focused on opportunities and deliver superior quality products to our customers.

We continue to learn, evolve, progress and grow with vigour and confidence.

And in everything we do, we remain committed to our purpose of being more responsible towards environment & sustainability.

Read more about how we are growing on pages 16-29

FORWARD LOOKING STATEMENT

This document contains statements about expected future events, financial and operating results of Filatex India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward- looking statements.

A Year in Review

Robust and sustainable performace

The company delivered a strong performance in FY22. While a favourable macroeconomic environment contributed to it, our judicious decision-making, prudent strategy and a conscious decision to focus on value-added products went a long way in improving our performance for the year.

INR 3,828.09 CRORES
Revenue

INR 531.10 CRORES
EBITDA

INR 302.73 CRORES
PAT

30+ YEARS
Experience in Manufacturing Yarn

2
State-of-the-art integrated manufacturing units

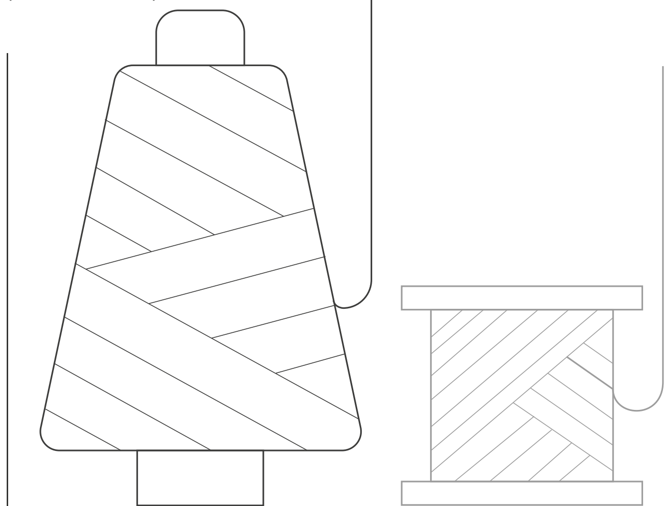
4,00,320 TPA
Combined production from the plants at Dahej and Dadra

REVENUE SPLIT

(in INR CRORES)

3,478.47
Domestic

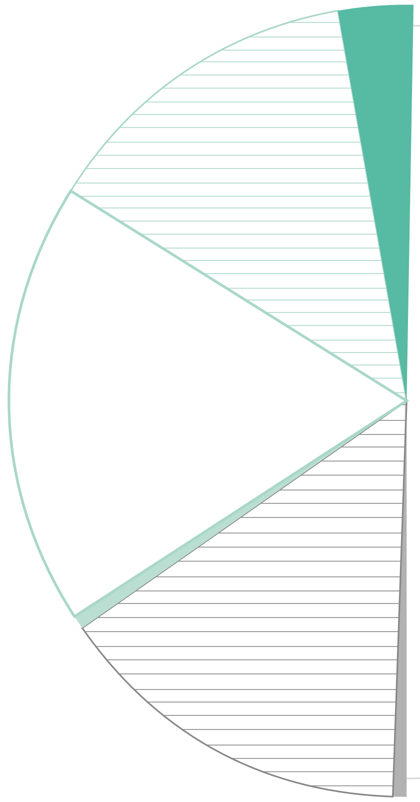
349.62
Exports

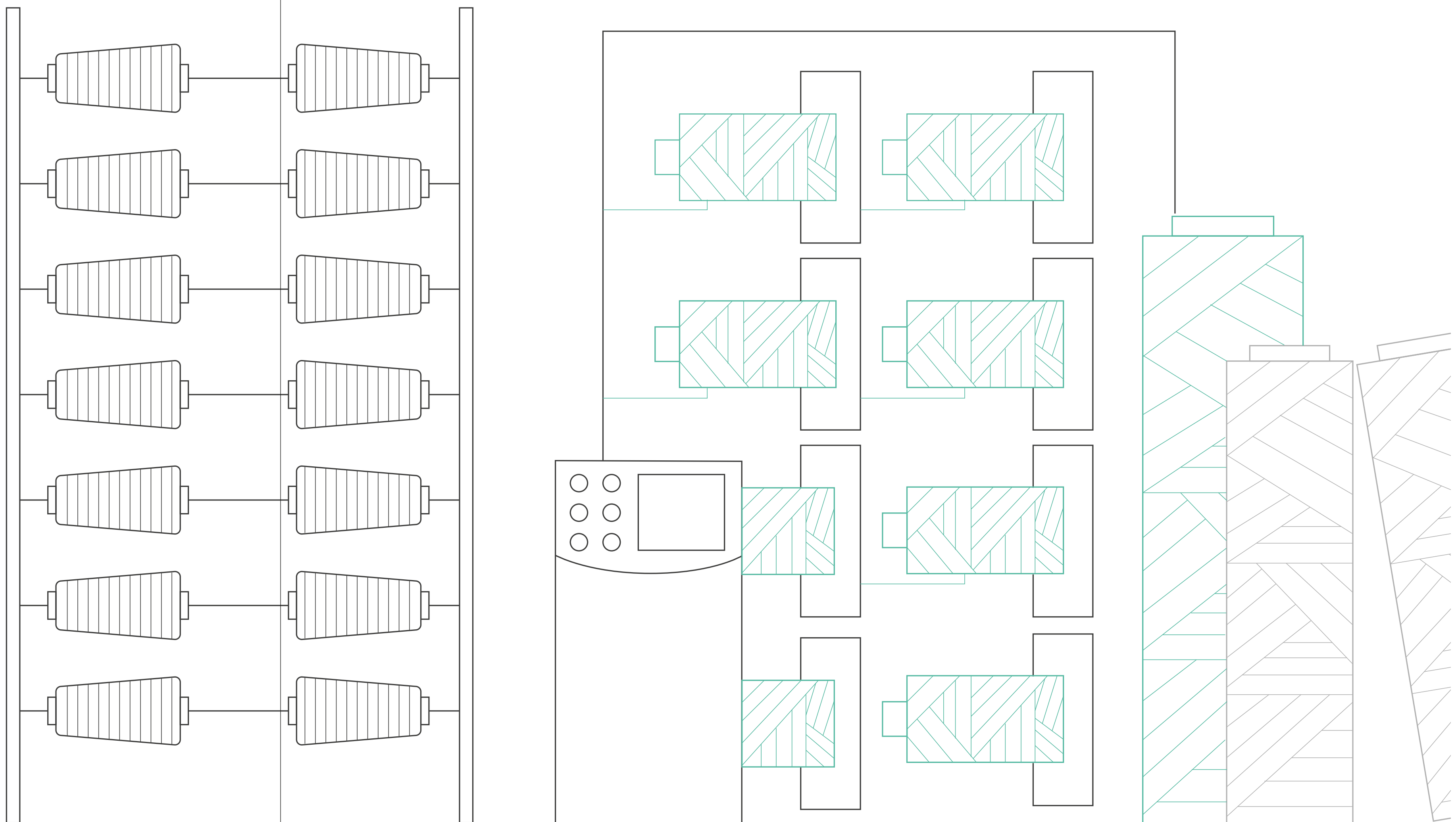


BREAKDOWN OF NET PRODUCTION CAPACITY

(in TPA)

23,600 TPA	Polyester Chips	5.90%
1,05,400 TPA	Polyester POY	26.33%
1,44,800 TPA	Polyester DTY	36.17%
4,320 TPA	Polypropylene	1.08%
1,19,800 TPA	Polyester FDY	29.93%
2,400 TPA	Narrow Woven Fabrics	0.60%





CORPORATE OVERVIEW
STATUTORY REPORT
FINANCIAL STATEMENTS

About the Company

The exciting world of Filatex India

Filatex India Limited is today among the country's leading manufacturers of Polyester Filament Yarn. With a foray into manufacturing in 1994 with monofilament yarn, today the company fulfils emerging garment needs of millions contributing to India's developing textile industry.

We manufacture polyester and polypropylene multifilament yarn and polyester chips at our two production facilities. One at Dadra & Nagar Haveli and the second one at Dahej, equipped with state-of-the-art process technology.

We remain focused on capitalising synergies created through our integrated business model. Our business canvas has been carefully curated, keeping in mind the competitive business environment. Inhouse production of Partially Oriented Yarns (POY) helps us in low-cost manufacturing of Drawn Textured Yarn (DTY). This helps us enable operational efficiencies while maintaining high- quality standards.

Guided by strong leadership, we are focused on increasing capacities, widening our reach, maximizing our efficiency, allocating capital effectively, and ensuring sustainability. We firmly believe that our diligent planning and strong execution capabilities set us apart. From our day to day operation to our long-term strategic vision, our differentiator has always been our focus on better execution. These execution capabilities manifest in numerous forms, including quality enhancements that we undertake, sustainability practices that we implement, and the social activities that we contribute to.

VALUE SYSTEM

- Integrity and honesty in business
- Customer satisfaction and delight
- To safeguard the environment and community
- Encourage creativity and innovation to maximise the potential of our people and processes
- To promote safe work practices

VISION

To be one of the leading polyester yarn manufacturers, producing products meeting international standards and being customer focused through stringent quality assurance, sustainable processes and continuous research and innovation.

MISSION

- To manufacture at an affordable cost that provides our customers with a competitive advantage
- Strive to maintain an edge over our competitors due to consistent product quality and low operating costs
- To encourage people's ownership, empowerment and working under team structure
- To attain the highest level of trust, integrity and honesty in business

His ethics and principles continue to inspire us.

LATE SH. RAM AVTAR BHAGERIA
Founder Chairman

THE JOURNEY

1990
Incorporated in August 1990

1994
Commenced production of Mono Filament Yarns at Noida

1996
Diversified into Multi- filament Polyester Yarn at Dadra with the production of POY and Textured Yarns

1998
Added manufacturing of Polypropylene yarns at Dadra Plant

2008
Commenced production of Fully Drawn Yarns (FDY) in Dadra using the latest machines from Barmag, Germany

2012
Set-up of Poly-Condensation plant of 600 TPD capacity along with 250 TPD Spinning of POY and balance 350 TPD of Chips at Dahej

2016
Commenced production of 115 TPD of Fully Drawn Yarns (FDY) and added capacity of 200 TPD of Draw Textured Yarns (DTY) at Dahej

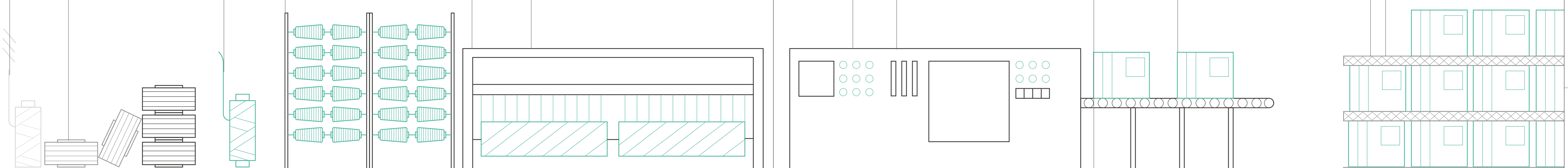
2018
Added Bright Polymerization capacity of 300 TPD for spinning, 190 TPD of FDY, 25 TPD of POY, and balanced 85 TPD of Bright Chips at Dahej

2019
Total Polymerization Capacity enhanced from 900 TPD to 1050 TPD through debottlenecking activities and commenced production of POY expansion from 340 TPD to 510 TPD

2020
Completed DTY expansion project in August. Added a cumulative 1.4 MW of renewable energy rooftop solar power plant at both plants

2021
Commissioned 30 MW Captive Power Plant at Dahej

2022
Setup a 1500kg pilot plant for conducting trials for chemical recycling of PET bottle waste and polyester yarn waste

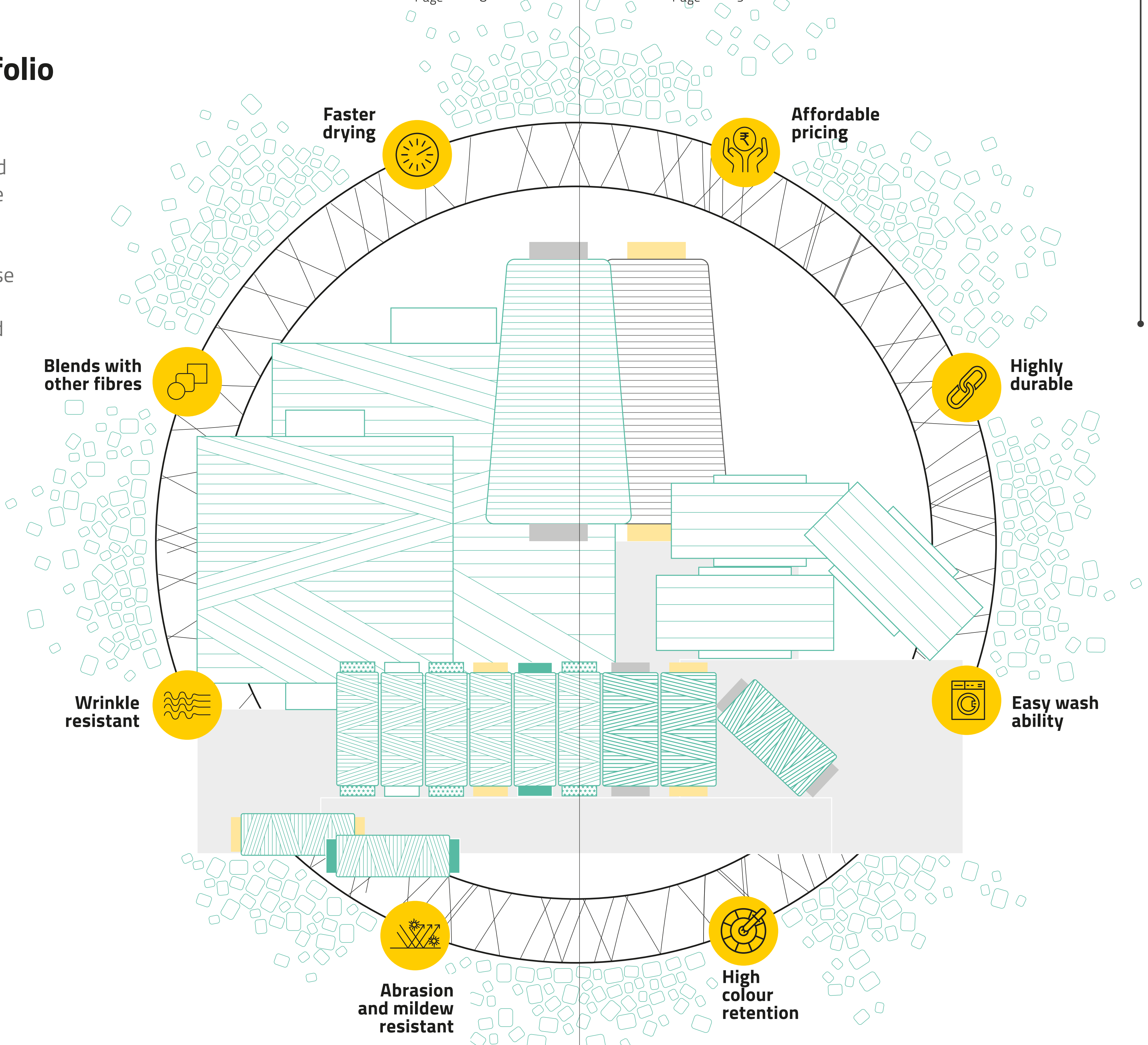


Product Portfolio

Enriching product portfolio to meet diverse needs

We believe that our success is fuelled by our customers' success. We strive to understand our clients' needs and develop products that meet their requirements. We utilize our expertise of over three decades, and our R&D skills to optimise processes and develop cost-effective solutions to maximise our clients' success.

With a focus on expanding and strengthening our product portfolio, we remain confident to continue deriving increased value for our customers and other stakeholders.



Filatex has focused its future growth plans on polyester filament yarns and is well- positioned to grab the opportunity and make the most of it.

POLYESTER - THE PREFERRED FIBRE

PET CHIPS (TEXTILE GRADE)

Produced by granulizing polyester formed in a polycondensation reaction of purified terephthalic acid (PTA) and mono-ethylene glycol (MEG). They are manufactured for textile applications and are supplied to the yarn-producing industry in semi-dull and bright luster. Textile grade PET Chips are used for making Polyester Filament yarn like POY, FDY and Staple fibre, which is used widely in the Textile industry.

PARTIALLY ORIENTED YARN (POY)

Produced from the melting and extrusion (melt spinning) of the polyester chip or melt. During the spinning process, the filaments are stretched or drawn as much as five times their original size to orient the polymer to meet the desired evenness, strength, shrinkage and elongation properties. The term partially oriented yarn refers to multi-filament that is only partially stretched. POY has to be texturised to make textured yarn and can also be used in draw warping for weaving and warp knitting of fabrics.

DRAWN TEXTURED YARN (DTY)

Produced by drawing and heating POY through a texturing process. It is used for manufacturing fabrics. Polyester DTY yarn is a continuous filament yarn that has been processed to add durable crimps, twists, interlaces, loops or other fne distortions along the lengths of the filament. Polyester DTY yarn can also be obtained in various colors through the dope dyed technology or through conventional dyeing. DTY is used for fabric end uses like outer and inner garments, skin-clinging garments, furnishings, upholstery etc.

POLYPROPYLENE YARN (PPY)

A lightweight yarn which can be made into POY, FDY and DTY. PPY has low moistening characteristics which make it very easy to clean. Due to lower specific gravity of PPY under the same weight conditions, one gets more length of PP yarns compared to Nylon or Polyester yarns. PPY is used in the stitching of socks, undergarments, sports wear, woven sacks, geo textiles, sofa sets, safety belts, sewing thread and rope.

FULL DRAWN YARN (FDY)

Produced by a process similar to POY except that the yarn is produced at higher spinning speeds and drawn fully. FDY is mainly used as weft or weaves in making fabrics. FDY can be used with any other filament yarn to get fabric of different varieties. Fully drawn polyester filament yarn is directly used for producing all kinds of fabrics especially for children and ladies.

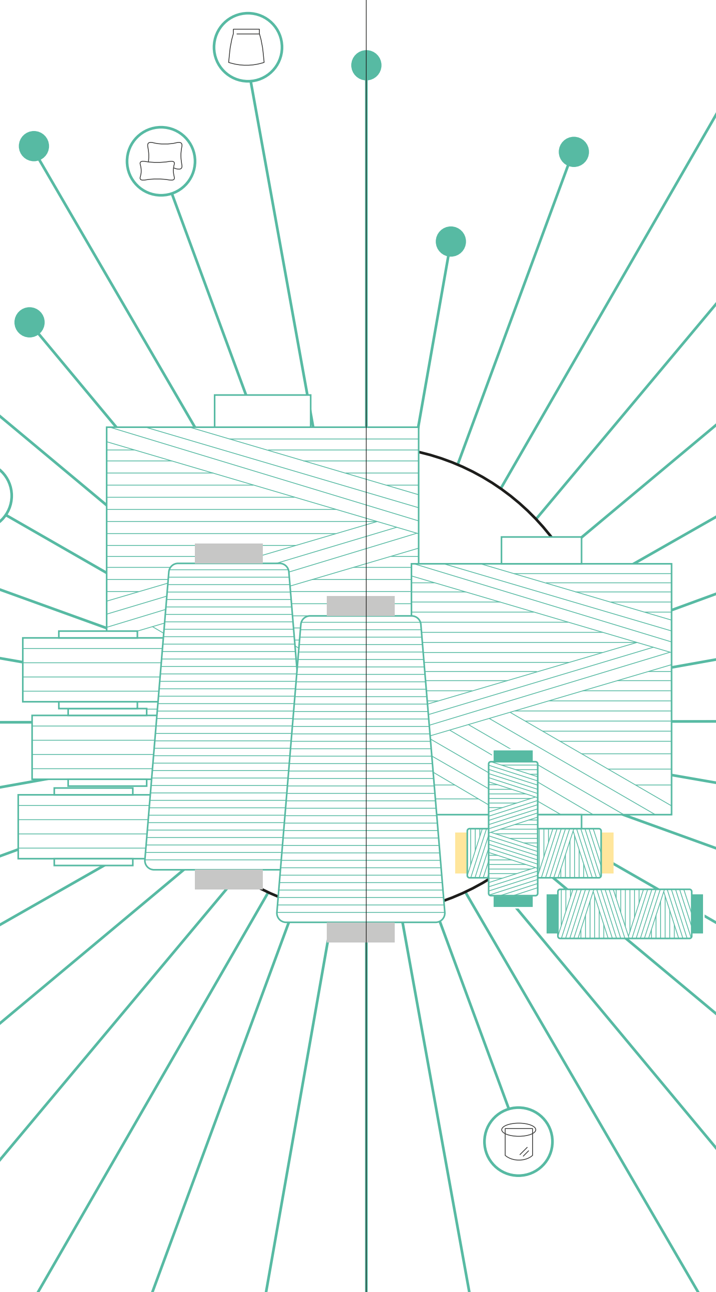
AIR TEXTURED YARN (ATY)

Produced by using a mechanical method, where cold air stream is used to produce bulked yarns of low extensibility. In this technology, a very wide variety of feed yarns can be used. The end product Is used to make automotive products, furnishing fabrics, sewing threads, shirting and blouses, shoelaces and tarpaulins.

NARROW WOVEN FABRIC (NWF)

Narrow fabrics are non-elastic woven textiles with a width of 12 inches or less and a woven selvage on either side. NWF comes in different varieties such as satin cord, fancy cord and tape, all types of zipper tapes, mattress tape, leashes, elastic tape, ribbon, plain and fancy belts. NWF was initially used in the garment industry for hats, corsets and lingerie, and in military uniforms as well.

IMPACTING DAILY LIVES



WOMEN WEAR AND INNER WEAR

Seam softness is critical in such garments. The textured Micro Denier has met the expected requirements and is being used in lingerie and performance garments such as activewear and yoga wear. The low shrinkage factor exists to ensure no seam distortion after washing and the soft feel aspect make these yarns an ideal choice.

APPAREL

Polyester Filament Yarns (PFY) are extensively used in apparels like trousers, shirts, suitings and sarees.

PFY is a high strength filament that can withstand repetitive movements. Colour fastness of Polyester Fiber is excellent too. Other properties such as being wear and tear resistant, water resistant, wrinkle resistant and hydrophobic properties make it ideal for all kinds of apparel.

HOME TEXTILES & FURNISHINGS

Polyester Filament Yarn is also used for home furnishings, fashion fabrics, terry towels, bed sheets, curtains, and carpets. Other growing applications are upholstery fabrics. Properties such as stain resistance make it ideal for carpets.

ATHLEISURE

The preferred material for sportswear is Polyester Yarn. Sports leisure clothing requires a fabric that is not only strong and durable but also abrasion resistant. Ease of washing and corrosion resistance makes them easy to maintain with a long shelf life.

INDUSTRIAL

Polyester finds application in a lot of industrial uses, owing to its strength and durability over natural fibres. It is used in the manufacturing of high strength ropes, threads, hoses, sails, power belting and much more.

PPE KITS & PROTECTIVE MASKS

Polyester & Polypropylene is used in the components of PPE kits as well as protective masks. Properties such as corrosion resistant, wear resistant and low shrinkage make them ideal choices to allow longer shelf life.

From the Chairman's Desk

It is a privilege and pleasure to present your company's annual performance for the year 2021-22.

The year in review was another turbulent year for the global economy and international trade strained by challenges on several fronts, including different variants of Covid-19, inflationary pressures, the impacts of climate change, supply chain disruptions & tensions, and geopolitical risks, and volatile energy and commodity prices.

Adjusting in the face of adversity and steering the ship in a troubled business environment on the principles of prudence, diligence, thrift and innovations, your company has improved its performance, both in terms of capacity utilization as well as sales. The company achieved its highest production and sales quantities of 3,41,480 MT and 3,40,665 MT respectively in FY22.

The revenues from operations were all- time high at INR 3,828 crores as against INR 2,227 crores an increase of around 72%. The sales quantity for the year is 3,40,665 MT against 2,59,905 MT last year indicating a growth of 31%. The operating profit EBIDTA is INR 531 crores as against INR 347 crores, registering an increase of 53%. Profit before tax, PBT stands at INR 459 crores as against INR 240 crores, an increase of 91%. Net profit for this year stands at 303 against INR 166 crores in the last year, showing an increase of 83%.

I am pleased to share that the company has delivered substantial growth in FY22 as compared to FY21. All these performance numbers are a new high for the company.

Delivering value to its shareholders, the company announced its first-ever Buyback of equity shares in March 2022 and also declared a dividend of 10%. We hope to continue delivering value to our shareholders consistently.

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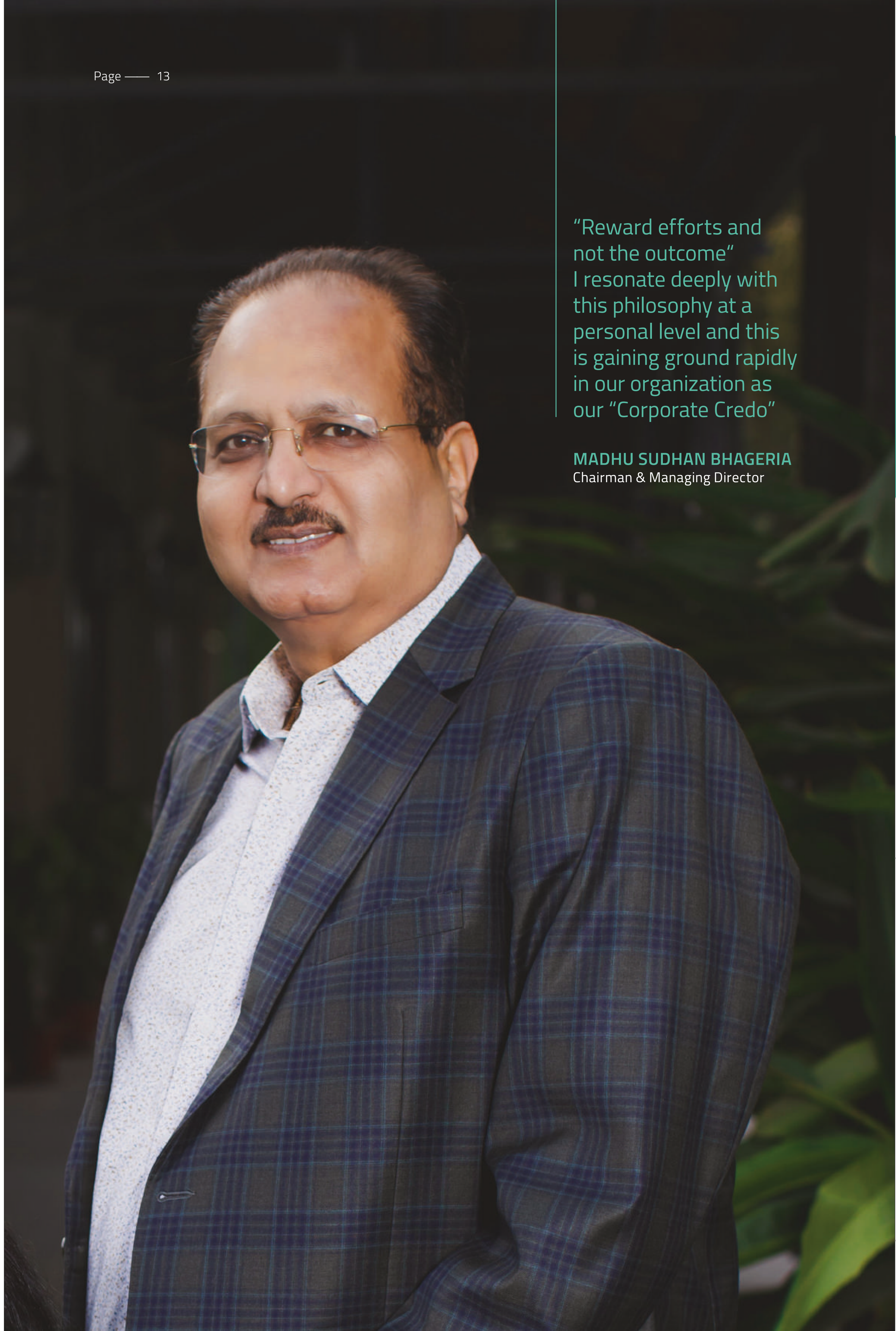
GLOBAL ECONOMY

The financial year 21-22 started with the second virulent wave of the Covid-19 pandemic in the first quarter of the financial year. The Government's efforts in mobilizing the vaccination drive and ensuring compliance through educative efforts helped contain the disruption caused by Covid. The economic recovery was brisk almost in all sectors. Though the year closed with the optimism of a post Covid-19 pandemic recovery, the shock waves from the war in Ukraine in February and retaliatory economic sanctions on Russia have caused huge uncertainty in the global economy and led to a humanitarian and economic crisis.

INDIAN ECONOMY

While businesses in different parts of the country have resumed their operations on a full-fledged basis, they are still facing macro-economic challenges caused by the pandemic and the war in Europe, which has lingered for nearly five months now. The third wave of the pandemic, which occurred in the later part of the year, thankfully had a less detrimental impact on the economy than the earlier waves. The last two quarters of this financial year witnessed a sharp pick-up in activity and most of the macro parameters such as consumption, investments, capacity utilization, etc. saw improvements. With the ebbing of the third wave and the easing of restrictions, domestic economic activity stabilized. Though some weakness



"Reward efforts and not the outcome" I resonate deeply with this philosophy at a personal level and this is gaining ground rapidly in our organization as our "Corporate Credo"

MADHU SUDHAN BHAGERIA
Chairman & Managing Director

From the Chairman's Desk (continued)

persisted in rural demand, urban demand appears to have maintained expansion. This was partly due to the support extended by the central government by way of fiscal stimulus.

TEXTILES INDUSTRY

While the global increase in population is one of the key reasons for increased consumption of textile fibres, there are other factors such as rising incomes, a variety of affordable fibres, textiles and apparel products as well as changing attitudes to traditional textile products – used increasingly as disposable fashion, that have also played an important role in the growth of the global textile fibres demand. In the last 10-12 years, almost 95% of growth is contributed by MMF and amongst MMF polyester is the most dominant fibre, at around 80%, due to its unique properties. Some of the well- acknowledged attributes of Polyester are affordable price, high durability, easy washing and maintenance, and ease of blending with other fibres.

China continues to be the biggest player in global textile products. Besides cotton and silk, China is also the largest producer of Polyester fibres.

India's presence in global textiles is well recognized all over the world. However, despite being in the race for decades, India is still behind the target in global competition today as we still rely on cotton more than synthetic fibres. Being one of the largest producers of cotton, an agro commodity, most of the cotton spinning companies performed well and improved their top and bottom line in FY2022. As most of the global textile exports are in MMF apparel, fabrics and yarns, textile and apparel exports from India are lower in comparison with China, Bangladesh, Vietnam, and Turkey statistically. GOI has recognized the need and potential of MMF and has started initiating policies for attracting more investments in this area. The MMF industry in India is quite a progressive one. Indian fabrics are known for their excellent workmanship, colours and durability. Due to heavy investments in world-class manufacturing plants, continuous innovation, new product mix and strategic market expansion, Indian man-made fibres (MMF) are now beginning to make their presence felt in the global arena.

India's presence in global textiles is well recognized all over the world. However, despite being in the race for decades, India is still behind the target in global competition today as we still rely on cotton more than synthetic fibres.

The growth in export volumes last year have been low on account of very high freight rates to and fro India and erratic shipping schedules. High freight costs and rupee depreciation have also adversely affected domestic raw material prices which are set based on import price parity affecting the landed cost of raw materials. Cooling down of freight rates is visible and this will make our yarn prices competitive for exports. An increase in exports also has a stabilizing effect on the domestic market.

SUSTAINABILITY

The textile and apparel industry is facing mounting pressures to improve the recyclability of its products in order to move towards a circular economy. As the textile industry is the second largest sector of the global trade market in terms of economic activities, sustainability in the textile and clothing industry has gone beyond just using organic materials and efficient processes. Regulations relating to Extended Producer Responsibility (ERP) will come into force in 27 EU member states from December 2024 and will require manufacturers to take on significant responsibility for the treatment or disposal of post-consumer products. All reputed international brands have expressed firm commitments and readiness to pay a substantial price premium for recycled products. The axiom for Sustainability is the 3R - Reduce, Reuse, Recycle. Such global efforts all over the world will reduce the quantity of post-consumer waste being dumped in landfills or being burnt and help in creating truly a circular economy.

Global efforts all over the world will reduce the quantity of post-consumer waste being dumped in landfills or being burnt and help in creating a truly circular economy.

Though we are very optimistic about the future growth of our business, we are equally concerned about Environment & Sustainability. Realizing that this is a dire need as well as an opportunity, we have spent a lot of time and effort developing a process for recycling polyester waste.

We have initiated in-house research work on the recycling of the polyester waste in all forms. This is based on the de-polymerization of polyester and removing colours, additives, catalysts, etc. before re-polymerization. After extensive Lab research for almost two years, we have now set up a pilot plant of capacity 1500 kg/day. We are experimenting and validating process parameters and conditions. Our pilot plant trial results are encouraging enough to intensify our efforts for establishing an economically viable process.

PRODUCT DEVELOPMENT

Focusing on innovation in our existing operations at the plants, the company has set up a product development team to develop speciality products like hollow POY, multiple profiles POY, plus cross-section POY, etc. with unique properties. These products will enrich our product basket and help improve the margins of the company. Our focus is on differentiating products that would have characteristics like moisture absorption, flame retardation, temperature adaptiveness, etc. These efforts, badly hit by the national shutdown due to covid, have gained momentum and sampling trials have started.

CULTURE

As a regular practice, we revisit our mission and vision statements continuously to ensure the participation of our employees at all levels. In our quest for growth, we focus on nurturing in-house talent and continue to attract and bring on-board professionals with the requisite expertise wherever necessary. We have improved our cross-functional interactions and communication channels. These efforts have created a culture where our people are vigilant to external developments and nimble enough to meet customer expectations. We have been more effective by focusing on creating a culture of growth.

Team building exercises have increased the relative level of trust in each of us, in areas including our honesty, intentions, authenticity, skills, integrity, standards, and results. The message is that efforts are as important as performance if not more. Fear of failure must be demolished. "Reward efforts and not the outcome "is an extract from Mr. Sunder Pichai's speech. I resonate deeply with this philosophy at a personal level and this is gaining ground rapidly in our organization as our "Corporate Credo".

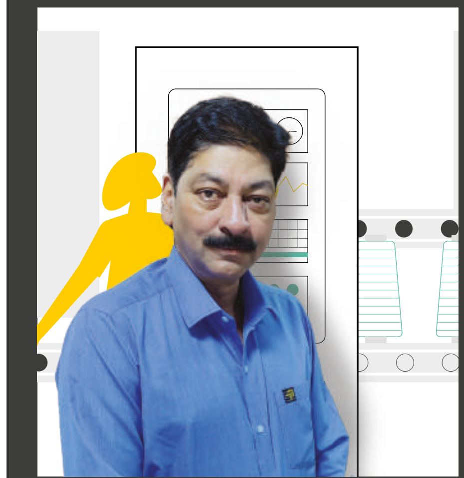
May I, on behalf of the Board and myself, place on record my appreciation and gratitude to our customers, suppliers, shareholders, bankers and business associates for their continued support and the confidence they have reposed in the Company. No words would be enough to record my special appreciation to Team Filatex for their dedication and commitment to delivering the highest quality of service to every one of our valued customers even in these difficult and challenging circumstances.

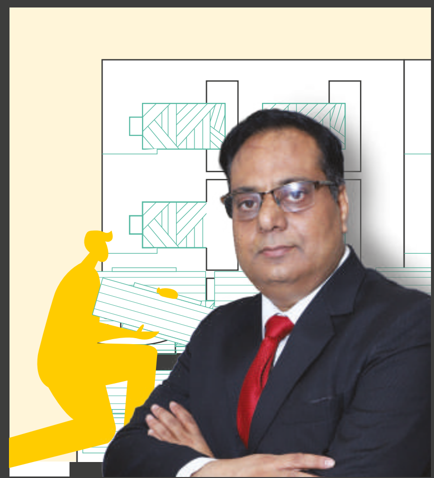
Madhu Sudhan Bhageria

Strategy

Growth with

Our vision is to be one of the leading manufacturers of polyester yarn, with a continued focus on superior quality, sustainable processes and research and innovation.





INNOVATIVE

... PRODUCTS AND PROCESSES

Technology and innovation are the main contributors to our overall growth. They are part of our roadmap to making constant improvements and achieving excellence in everything we do. We leverage them to improve our manufacturing processes and develop new products. Strong manufacturing capabilities and a portfolio of value-added products give us a competitive edge, allowing us to gain market share and customer trust.

Read more about our robust production capacities and enhanced product portfolio on **PG 18**

PRUDENT

... FINANCIAL GROWTH

Diligent planning, well within our resources, has allowed us to achieve growth in a consistent and stable manner. The prudent decisions that we have taken over the years have allowed us to reduce our debt significantly, and achieve a strong RoE and RoCE.

Read more about our strong financial performance on **PG 22**

SKILLED

... WORKFORCE

A dedicated team with the right skills is essential to establish a successful business. We are, thus, focused on nurturing our in-house talent and hiring professionals who have the expertise and the passion to grow. We encourage cross-functional interactions amongst plants across locations and also focus on team-building exercises to boost team morale.

Read more about how we create a conducive environment for our people on **PG 26**

Purpose

We believe it is imperative to focus efforts on sustainability in today's global scenario. It is no longer an option but a dire necessity for all businesses. Hence, our aim is to integrate environmental and social dimensions of sustainability into our core business strategy.

Sustainability, for us, is a journey of continuous learning, adaptation and improvement of our processes to ensure we mitigate any negative impact and create maximum value for all those associated with us.

To ensure sustainability and reduce environmental impact in the textile and apparel industry, following a sustainable and circular economy model is important. We have undertaken research activities to develop a scalable way to recycle polyester yarn and fabric waste. After extensive research and successful lab trials, we have set up a pilot plant with a capacity of 1.5 tonnes/ day. The pilot plant was commissioned in July 2022.

In this pilot plant, we plan to revalidate our process parameters and ascertain economic viability. This will also help us in seed marketing of our recycled product. We have also received the Global Recycling Standard (GRS) certificate, after an audit of every step of our chemical recycling process.

In addition to environmental conservation, doing our bit to improve the lives of those around us also forms an important part of our sustainable growth strategy. We invest in a range of initiatives that target the current needs of the local communities as well as their future development.

> Though we are very optimistic about the future growth of our business, we are equally concerned about Environment & Sustainability. Realizing that this is a dire need as well as an opportunity, we have spent a lot of time and effort developing a process for recycling polyester waste.

Madhu Sudhan Bhageria
Chairman and Managing Director

Strategy (continued)

Innovative products and processes

Leveraging our industry expertise and experience, we understand the evolving needs of our customers and manufacture products that meet their requirements and their expectations.

We undertake extensive research to modify and optimise our processes, equipment and products. We are developing an in-house technology to recycle polyester waste through the glycolysis process. We are undertaking trials for the depolymerisation of polyester waste to monomer and re-polymerisation of the monomer to polyester chips/yarn.

OPTIMUM CAPACITY UTILISATION

Over the years, our focus on innovation and capacity expansion has allowed us to add new products to our portfolio and expand our margins.

At our Dadra plant, we replaced old POY lines with new equipment, which will improve the quality of yarn along with an increase in the capacity by around 8 tonnes/day and reduce the operating costs. In Dahej, the work on our planned project of debottlenecking melt capacity of 50 tonnes/day and manufacturing lines of 120 tonnes/day POY is underway.

Continuous optimisation efforts have led us to utilise 100% of our yarn capacity this year. The demand is strong and is expected to increase in the coming years, and we are well positioned to leverage the opportunities that come our way.

ROBUST PRODUCTION CAPACITIES

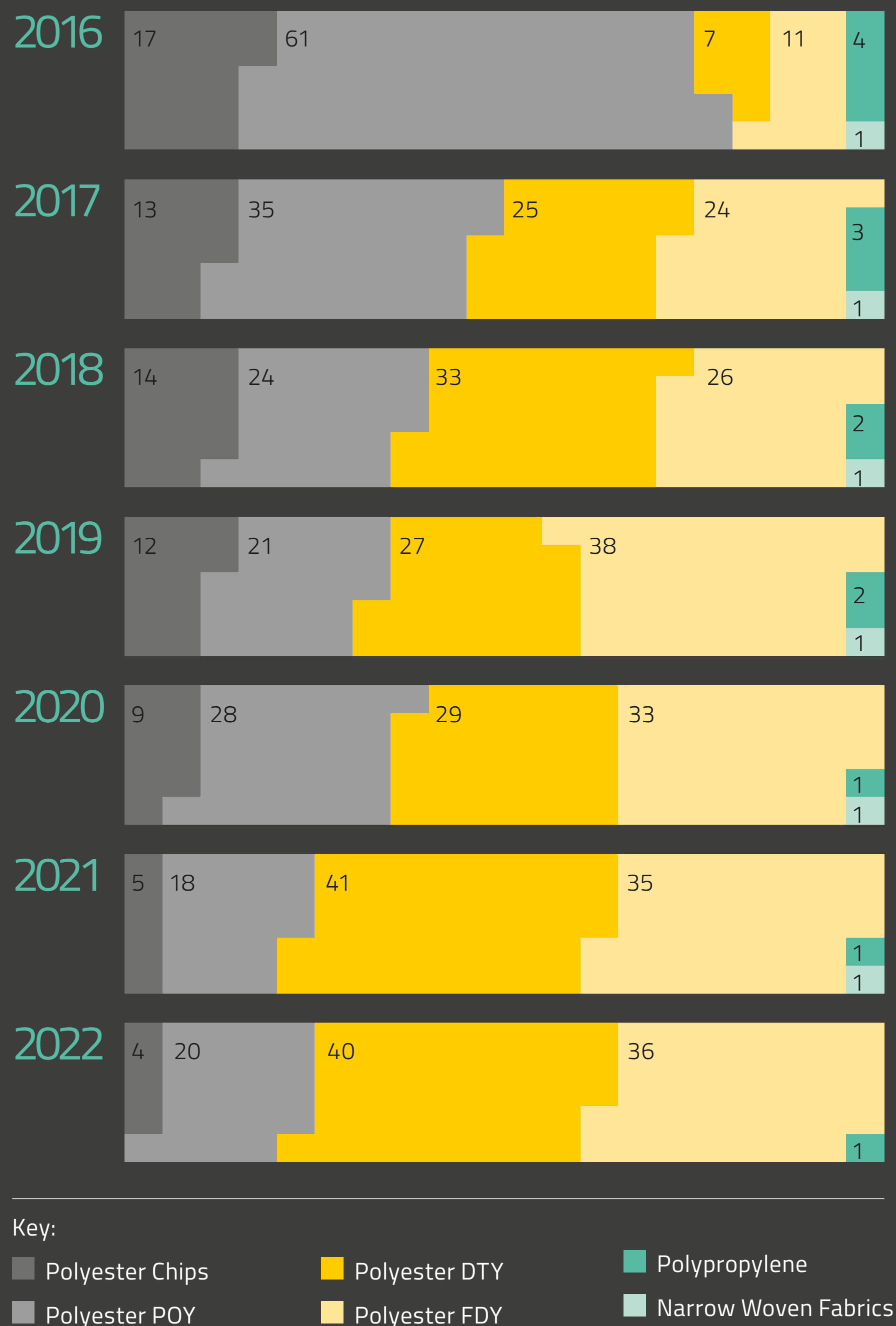
Despite the lingering effects of the pandemic, we achieved an all-time-high production volume of 3,41,480 metric tonnes in FY22 by utilising 100% of our yarn capacity. Initiatives undertaken by the Indian government to boost the textile sector and release of pent-up demand for textiles have aided this increase.

The company has made a planned effort to steadily increase its product basket. It has focused on improving its value-added product portfolio in the last 5-6 years.

The expansion in DTY and FDY capacities over the years has resulted in an increase in their contribution to the revenue as well as an improvement in margins.

We have established a digital information system where a variety of systems have been developed for digital transformation to bolster our operational resilience including customer and product contribution analysis, credit management, forex forecasting, energy analysis, etc.

% OF PRODUCTION



"Our efforts to continuously review our production processes, at all levels, has created an innovation driven environment. This innovative culture is helping us create new opportunities for further growth.

VALUE-ADDED PRODUCT OFFERINGS

We are continuously adding value to our offering by introducing a variety of speciality products. We are cognisant that R&D is critical to the development of specialised yarns that differ in their properties and end-uses. We, thus, have a dedicated product development unit that allows us to enhance our product portfolio.

SPECIALITY PRODUCTS ADDED IN FY22

Our value-added products are categorised into four variants:

Comfort

FLEXIFIL

In woven fabrics, it gives a stretch without spandex. In knitted fabrics, it gives a 4-way stretch. It adds to the comfort and fit of the fabrics. It can be used in woven apparel, knitted T-shirts, leggings and upholstery

KOOLFIL

It has an improved moisture management system that helps keep the fabric dry. to the fabric and keeps it dry. It can be used in t-shirts, shorts, active sportswear fabrics, beddings and car upholstery

WARMFIL

The structure of the yarn is designed in such a way that it retains body warmth within the fabric. It is 15-20% lighter than normal yarn. It can be used for inner wears, jackets, blazers and winter sportswear fabrics

Touch

WOOLY

A wool touch is imparted to the fabric through this yarn. This would be ideal to make trousers, shirts, shawls, etc.

FILASPUN

It gives a fine cotton touch to the fabric. It can be used in woven and knitted apparel, bedsheets and upholstery

GRANDRELLE

It gives a crispy touch to the fabric without twisting the yarn. It can be used in chiffon and georgette fabrics and provide a fancy effect to apparel

VELFIL

It gives a bouncy effect in the fabric with excellent drape. It also gives a two-tone effect to the fabric. It is can be used in apparels, veil fabric, thoub fabric and scarves

MMFIL

Very coarse denier soft yarn, it goes in weft in the jeans, beddings, upholstery, sheet fabrics and rugs

HBFIL

These are high bulk microfilament yarns. They combine softness with bulk and are ideally suited for chenile yarn based fabrics and rugs

Fancy Effect

FILLORY

Net like effect in plane construction fabric is produced in knitted fabric without designing hardware. It also gives a negative slub effect in woven fabrics.

PULSAR

This yarn is fancy-looking. One base fabric can be made and some portion can be dyed to make different base fabrics for woven and knitted clothing.

FILUS

This ultra-low shrinkage yarn can be used where dimensional stability is paramount such as sewing thread, piles of carpets, filter fabrics and substitute to dyed yarn.

Others

SEWFIL

This is specially made for sewing thread, matching technical requirements needed for sewing application

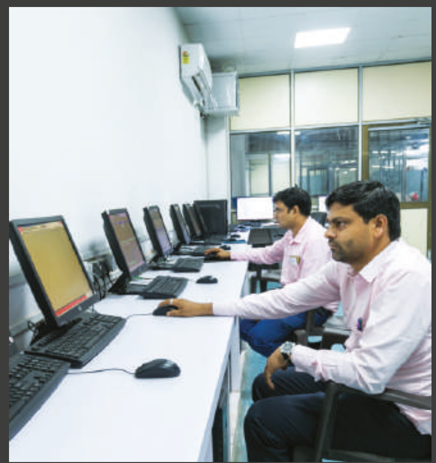
Strategy (continued)

Prudent financial growth

Well conceived and equally well executed plans over the past decade have resulted in optimal capacity creation. Benefits of this capacity were unlocked fully in FY22, resulting in healthy cash flows.

To improve the financial standing of the Company, we decided to use this opportunity to prepay a large share of our term loans, resulting in a reduction of debt to equity ratio to 0.33 from 0.77.

Return on equity (RoE) also improved from 24.43% in FY21 to 32.76% in FY22 and return on capital employed (RoCE) improved from 21.01% in FY21 to 31.16% in FY22. In view of to our strong performance, the Board of Directors approved a buyback offer for an amount of INR 59.50 crore. The Board also recommended a final dividend of 10% per equity share for FY2022.



A+ Long-Term Rating

HIGHLIGHTS OF FY22

72%
Growth in Revenue

91%
Growth in Profit Before Tax

82%
Growth in Profit After Tax

53%
Growth in EBITDA

"Astute financial management is an integral part of any growth story.

Arrangement of funds at competitive costs for capital expenditure and ensuring efficient management of working capital provides momentum to address opportunities for growth.

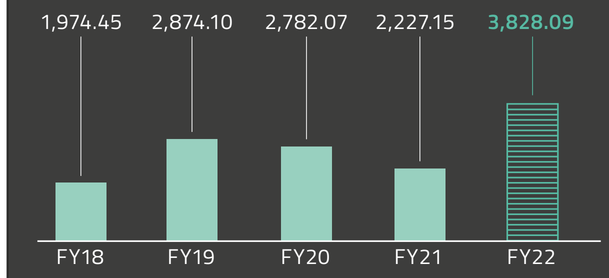
Strategy (continued)

JUDICIOUS DECISION MAKING FOR ENHANCED FINANCIAL PERFORMANCE

This year, we recorded a strong financial performance despite global turmoil. While the demand for Indian textile gathered steam after the pandemic, it was a period of unpredictable geo- political events, unprecedented market volatility and ever-evolving technologies.

FINANCIAL PERFORMANCE

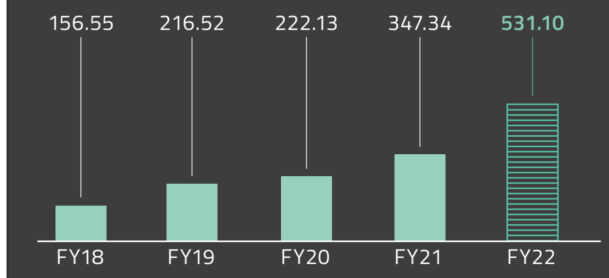
REVENUE FROM OPERATIONS
(IN INR CRORE)



INR 3828.09 CRORES

The company has achieved a **CAGR of 20%** in the last 6 years by gradually increasing its capacity and product mix. Revenue from Operations grew by 72% to INR.3,828.09 crore compared to INR 2227.15 crores in FY21.

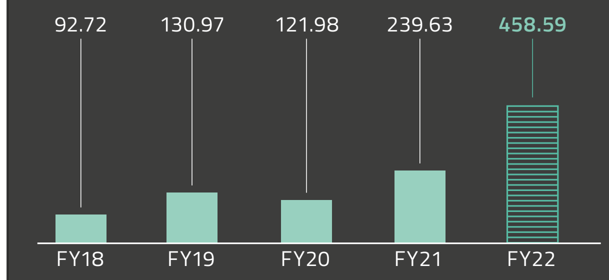
EBITDA
(IN INR CRORE)



INR 531.10 CRORES

The company has focused on improving its value- added product portfolio in the past 6-7 years. The expansion of DTY and FDY capacities over the years have resulted in achieving a **CAGR of 35%** in the company's operating margins. On a year- on- year basis EBTIDA stands at INR 531.10 crores compared to INR 347.3 crores, a growth of around 53%.

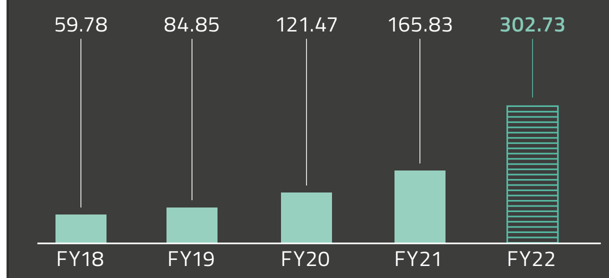
PROFIT BEFORE TAX
(IN INR CRORE)



INR 458.59 CRORES

Along with the operating margins, the company has also taken steps to decrease its finance costs by constantly monitoring and evaluating its cost of capital, resulting in **55% CAGR** in Profit Before Tax. Profit before tax was INR 458.59 crores in FY22 compared to INR 239.63 crores in FY2021, a growth of 91%.

PROFIT AFTER TAX
(IN INR CRORE)

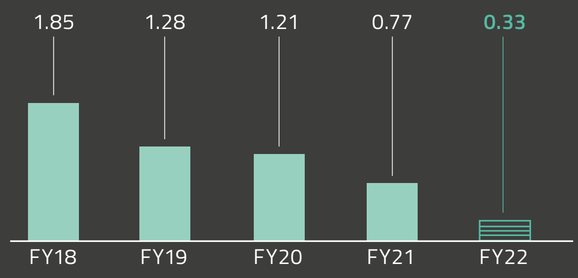


INR 302.73 CRORES

Positive macroeconomic factors along with judicious decision-making, prudent strategy and a conscious decision to focus on value- added products has resulted in improving the profitability of the company over the years and achieving a **50% CAGR**. The PAT recorded was INR 302.73 crores in FY22 compared to INR 165.83 crores in FY21, an increase of 82%.

Our performance is a testimony to our agility and ability to adapt to uncertainties.

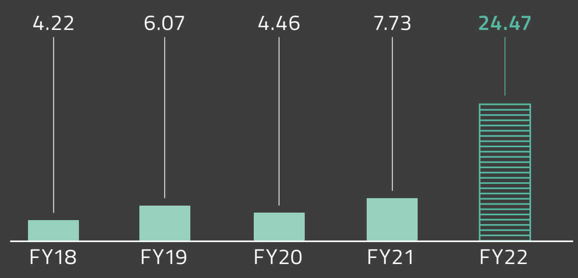
DEBT TO EQUITY RATIO
(IN TIMES)



0.33X

Improved profitability and healthy cashflows enabled the company to prepay its term loans. This resulted in an improved debt-equity ratio of 0.33

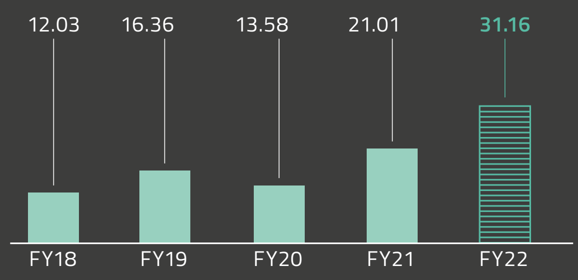
INTEREST COVERAGE RATIO
(IN TIMES)



24.47X

Consistent growth in operating margins along with a focus on long-term debt reduction has resulted in significant improvement in the Company's interest coverage ratio. The Interest Coverage ratio increased from 7.73 in FY21 to 24.47 in FY22.

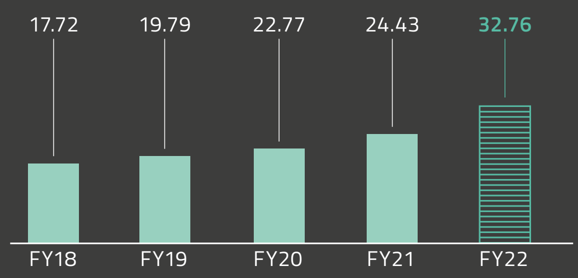
RETURN ON CAPITAL EMPLOYED
(IN %)



31.16%

The company has made judicious use of available capital to fuel its growth. Continuous improvement in profitability along with reduction in long-term debt has resulted in the company achieving an ROCE of 31.16% in FY22 compared to 21.01% in FY21

RETURN ON EQUITY
(IN %)



32.76%

Return on Equity of the company increased to 32.76% from 24.43% in FY2021 because of a growth in profitability by 83% to INR 302.73 crores compared to INR 165.83 crores last year

Strategy (continued)

Skilled workforce

At Filatex, we lay a strong emphasis on both and personal and professional growth of our employees. Their passion and commitment have contributed significantly to what we are today.

EMPLOYEE STOCK OPTION PLANS (ESOPS)

Our employees are the backbone of the company.. They are passionate about what they do and are committed to the Company's vision. To create a sense of ownership and share the benefits of growth, we started the practise of offering ESOPs in one of the first in the textile industry.

LEARNING AND DEVELOPMENT INITIATIVES

We identify and develop high-potential talent in our organisation and groom them with accelerated learning and growth opportunities. We continue to undertake various initiatives to create an environment conducive to growth.

INTER-DEPARTMENTAL TRAINING

Cross-functional and inter- departmental training is crucial to provide on-job experience across the value chain and develop new skills and abilities. We encourage such training among our teams so that our people gain a wider perspective on the business, and learn to apply new skills. This also contributes to making us more resilient because there employees who can assist in the essential duties of other roles if needed.

Additionally, we are focusing on integrating the teams across our plants to function seamlessly. The Heads of Departments (HoDs) train their second- in-command to ensure seamless operations at all times and encourage leadership responsibilities among the senior employees.

SAFETY TRAINING

We conduct various safety training sessions in-house, including basic firefighting training and training on importance of hygiene in the canteen. Training against Covid-19 spread was also carried out regularly across all company locations. We conduct a safety meeting every week with the plant heads and section heads to review and discuss safety measures for a safe working culture and zero-risk operations.

80%

Employees have undergone inter- departmental training

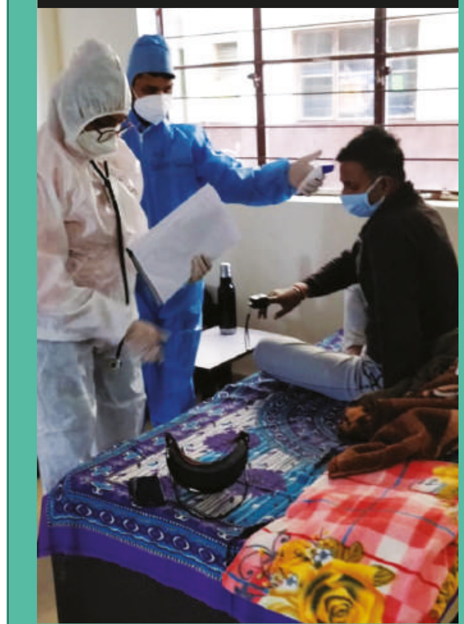
"At Filatex, we continue to improve our employees' existing competencies while remaining in sync with rapidly changing technologies and products.

Strategy (continued)

Being a responsible corporate citizen

At Filatex India, the aspects of business growth and success are essential. However, the Company has always prioritised sustainability and social responsibility as much as the business. The Company continues to fulfil its role as a responsible corporate citizen by investing in a range of initiatives that target the current needs of the local communities as well as their future development.

Covid Isolation Ward & routine medical check-up



Notebooks distribution at Primary School, Dadra

Organized Free Medical Check-up Camp for nearby villagers

Dustbins Distributed at Jolva Village under"Swachh Bharat Abhiyan"

Provided T- Shirts & Tracksuit to tribal youth to developed the sports activities

Organized Free RTPCR Test Camp in the company

Food packets supplied to Primary Health Center Dadra on the occasion of Pulse Polio day

PRIORITISING RECYCLING

We recycle our packaging materials, paper tubes and wooden pallets. We also collect packaging materials from our customers, and recycle and reuse them. In addition, to do our bit towards environment conservation, we use a composite food waste machine that produces fertiliser from the canteen food waste. This is then used to maintain the green cover outside and inside our premises. We also treat our effluent water in the plant and reuse it for non-drinking purposes, thus following a zero liquid discharge policy.

PARTNERED WITH A RENEWABLE ENERGY COMPANY

To meet the additional demand for power at our Dahej plant at a competitive cost, we partnered with a reputed renewable power generation company M/s Fourth Partner for a hybrid wind and solar power plant with a capacity of 10.8 MW. The generation company will deliver around 50 million units annually, which will result in a yearly saving of INR 10 crore. This project is scheduled for commissioning by March 2023.

SUPPORTED THOSE IN NEED DURING THE PANDEMIC

As the pandemic disrupted lives, we stepped up to support those in need. We organised free medical check-ups and vaccination camps for the villagers residing near our operations. We set up a COVID isolation ward for those afflicted and also organised free COVID tests for our employees.

SOLAR POWER PROJECT

We source power from rooftop solar power plants at both our plants, with 1 MW at Dahej and 0.91 MW at Dadra.

FOCUS ON ENVIRONMENT CONSERVATION

We conduct special tree plantation drives near the plant premises to reduce carbon footprint and address environmental issues. We follow sound environmental management practices at our manufacturing units to assess and address potential environmental risks.

EMPOWERING COMMUNITIES

Contributing towards the education of future generations is a prime area of intervention for us. During the year, we distributed notebooks to underprivileged primary school students at Dadra; Rohitas, Navi Negri and Atali Ashram School. Additionally, we also contribute towards primary health facilities, primary education, women self-employment, Swachh Bharat Abhiyan, promotion of sports, Garib Kalyan Anna Yojna and availability of safe drinking water.

We also treat our effluent water in the plant and reuse it for non-drinking purposes, thus following a zero liquid discharge policy

Governance Framework

Strong corporate governance

Strong corporate governance is an integral part of Filatex's core values. We believe that the highest standards of corporate governance are essential to our business integrity, performance and sustainable growth mission. We are, thus, committed to having sound corporate governance principles and practices.

Our Board of Directors, supported by the Board Committees, play a crucial role in ensuring strong governance policies and steering the Company towards achieving its vision.

Zero
Corruption/bribery cases received

Zero
Whistle-blower cases

BOARD OF DIRECTORS

MADHU SUDHAN BHAGERIA
Chairman and Managing Director

C R A N

Years of association with Filatex: 19

Skills: Four decades of financial, operational and strategic planning experience in synthetic and polyester yarn, environment and energy innovation

PURRSHOTTAM BHAGGERIA
Joint Managing Director

C S

Years of association with Filatex: 19

Skills: Diverse experience in corporate affairs, policy perspectives, investments, compliance and legal issues

MADHAV BHAGERIA
Joint Managing Director and CFO

C

Years of association with Filatex: 19

Skills: Over 36 years of rich experience in marketing, operations, insurance and contracts

BRIJ BEHARI TANDON*
Independent Director

C A N

Years of association with Filatex: 7

Skills: Deep understanding of economics, finance and law, with experience in textiles, power and mining industry

SWARUP CHANDRA PARIJA
Independent Director

N A S

Years of association with Filatex: 19

Skills: Four decades of work experience with the Government of India, in the field of tax

SURAJ PARKASH SETIA
Independent Director

S N A

Years of association with Filatex: 19

Skills: Rich experience in the textile industry

PALLAVI JOSHI BAKHRU
Independent Director

N A C R

Years of association with Filatex: 9

Skills: Rich experience of almost three decades in the field of taxation, with expertise in inbound and outbound structuring advisory (including regulatory compliance) for both Indian and overseas investors

ASHOK CHAUHAN
Whole-time Director

R

Years of association with Filatex: 8

Skills: Over four decades of experience in diverse industry segments like Pulp & Paper, Chemicals, Engineering Consultancy, Polyester Film, PET Filament, Hydro Power Plants, Solar/ Wind/ Renewable Energy, Real Estate, Development and Construction

RAJENDER MOHAN MALLA
Independent Director

A

Appointed on 27th July, 2022

Skills: Four decades of work experience in Banks, Financial Institutions & NBFC in India with a deep understanding of capital markets

Board committees

A: Audit

N: Nomination and Renumeration

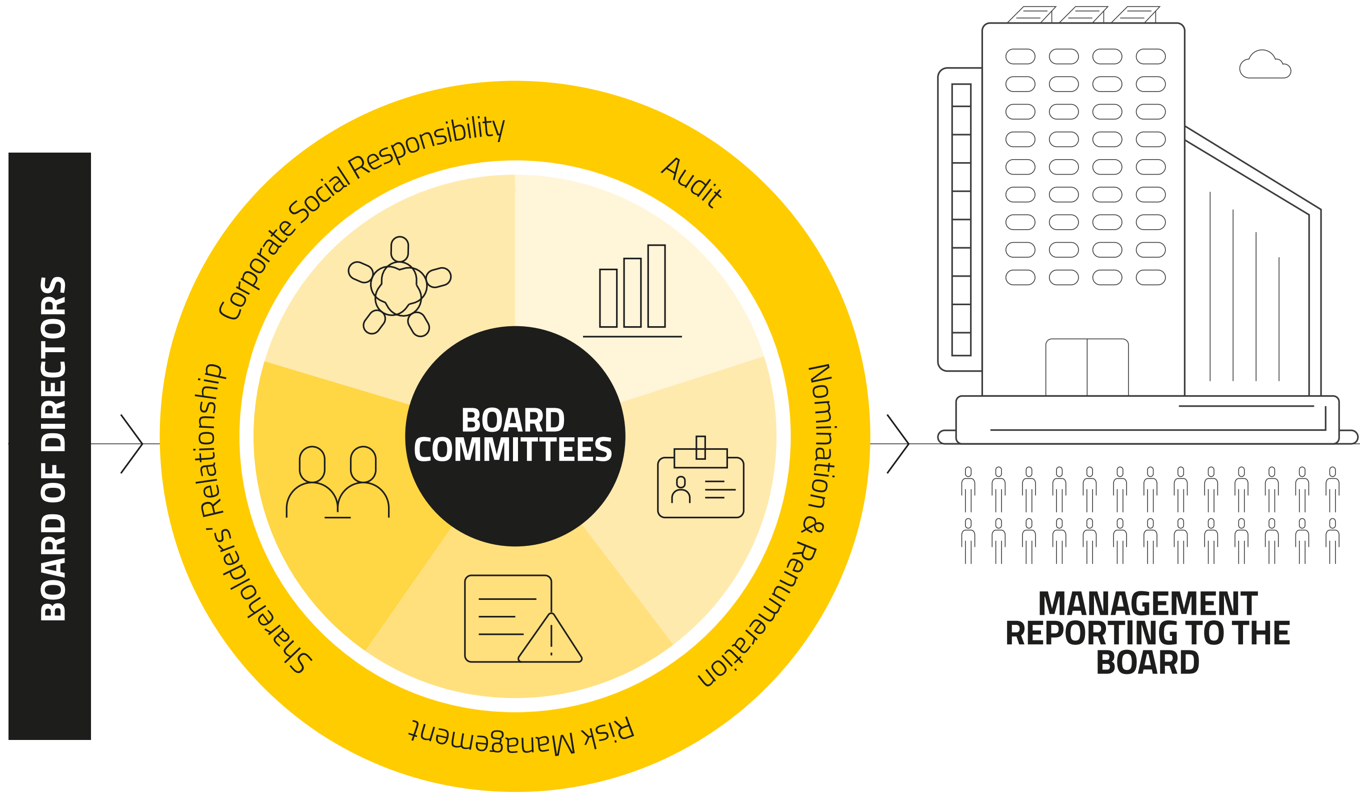
R: Risk Management

C: Corporate Social Responsibility

S: Shareholders' Relationship

Member | Chairperson

*Resigned on 27th May, 2022



14
Board and Board committee meetings held during the year

87.5%
Attendance in Board meetings

50%
Independent Directors

ROLES AND RESPONSIBILITIES OF THE COMMITTEES

RISK MANAGEMENT
Periodically reviews risk assessment and minimisation procedures that ensure that Executive Management controls risk by means of a properly defined framework, besides reviewing major risks and proposed action plans.

NOMINATION AND REMUNERATION
Regularly reviews the remuneration of Directors and persons who may be appointed to senior management and key managerial positions.

AUDIT
Reports directly to the Board of Directors and regularly reviews financial statements, internal audit reports, audit plans, significant findings, adequacy of internal controls, compliance with accounting standards and more.

CORPORATE SOCIAL RESPONSIBILITY
Periodically determines and reviews CSR expenditure and social projects as well as their implementation.
The Corporate Social Responsibility Committee formulates and recommends to the Board a CSR policy which shall indicate the activities to be undertaken either by the Company or through an implementing agency.

SHAREHOLDERS' RELATIONSHIP
Resolves the grievances of the shareholders, including complaints related to transfer/ transmission of shares, non-receipt of the annual report, non- receipt of declared dividends, review of measures and initiatives taken by the Company.

Management Discussion and Analysis

GLOBAL ECONOMY

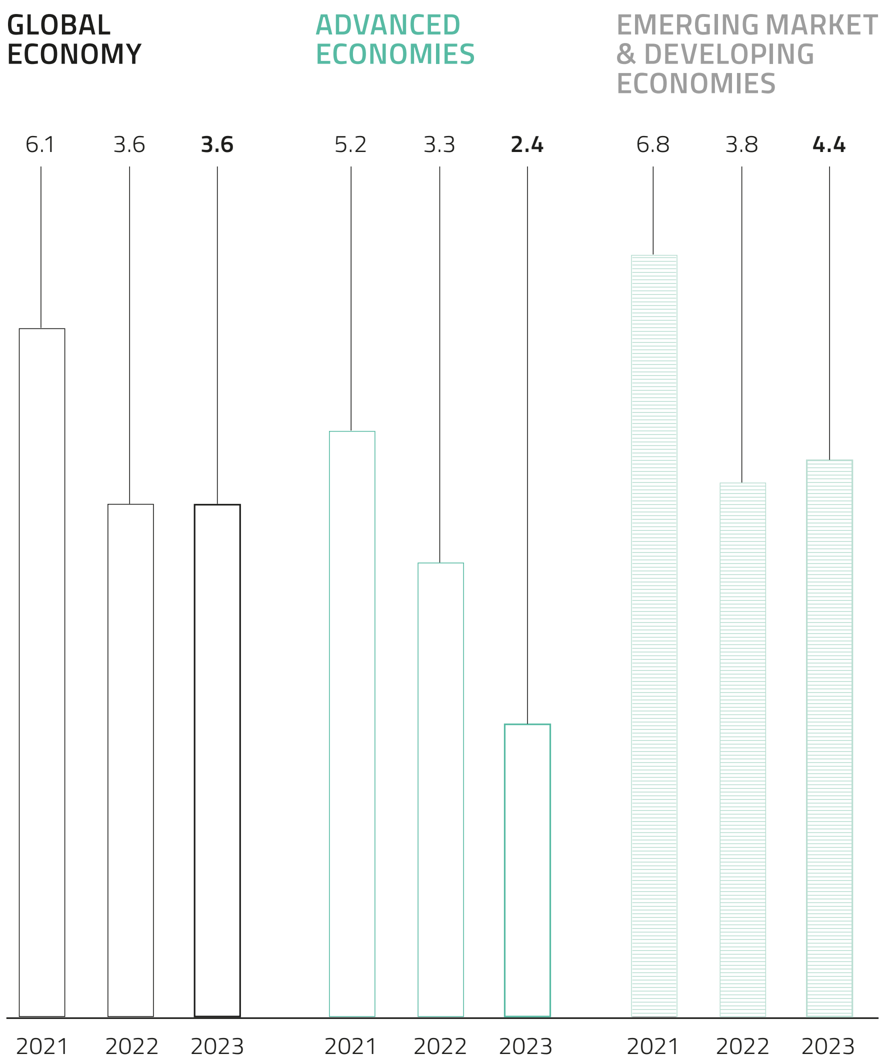
The global economy started the year on a high note due to the effective implementation of immunisation programs across countries. The economic recovery gained momentum as communities and nations opened up, fueled by robust consumer spending and demand. As a result, the global economy recovered from a 3.1% contraction in 2020 to grow by 6.1% in 2021.

However, in February 2022, the conflict between Ukraine and Russia began and led to supply chain disruptions, a rise in crude oil and food prices, and inflationary pressures, which hindered the availability of agricultural inputs and exacerbated the global inflationary climate. The conflict has continued far longer than anticipated and is likely to impede economic recovery and cause one of the worst humanitarian catastrophes in the world.

Cautious

The outlook for the coming year remains cautious, as concerns such as the high inflationary climate and the ripple effect of global supply chain disruptions continue to weaken the recovery process.

GLOBAL ECONOMIC RECOVERY (IN %) [1]



INDIAN ECONOMY [2]

After experiencing a 6.6% decline in FY21 due to the pandemic, the Indian economy expanded by 8.7% in FY22. The deadly Sars-Cov2 delta virus outbreak in April 2021 caused havoc and claimed more lives than the initial wave in 2020.

Localised restrictions slowed the recovery in the first three months of the year, while the inflation driven by price pressure hurt economic sentiment in the second half. However, the RBI's continuing accommodative stance aided the nation's recovery during the reviewed fiscal year. The PLI scheme, which sought to make India a hub for global manufacturing, was the most notable of the various initiatives the Indian government took to improve the manufacturing industry as the government continued to prioritise the manufacturing sector for its growth goals.

Overall, the outlook for the coming year remains cautious, as concerns such as the high inflationary climate and the ripple effect of global supply chain disruptions continue to slow the recovery process. Moreover, with the Reserve Bank of India increasing interest rates to combat inflation, the upcoming fiscal year is anticipated to experience a deceleration in GDP.

1. International Monetary Fund – World Economic Outlook
2. Ministry of Statistics and Programme Implementation

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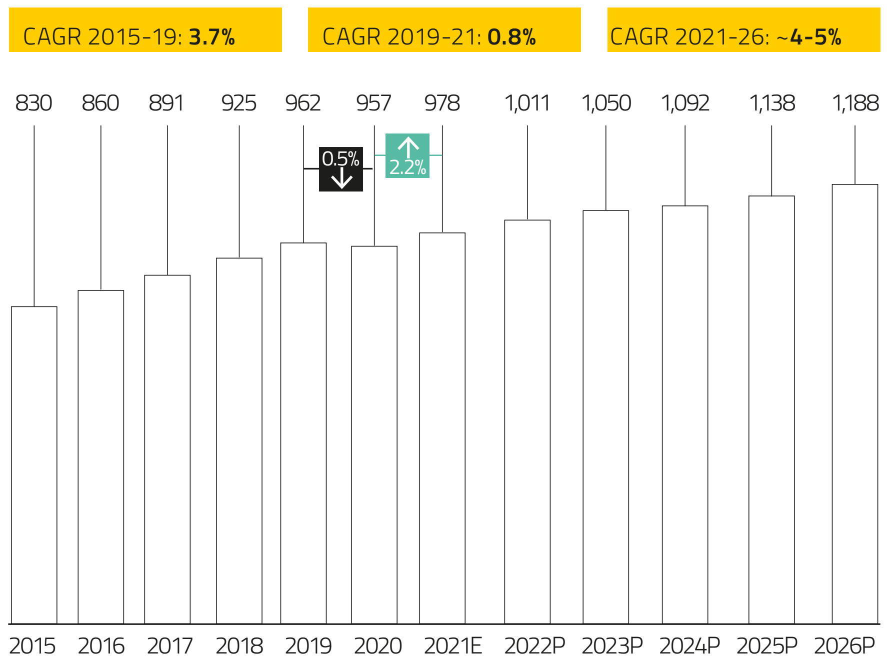
GLOBAL TEXTILES INDUSTRY

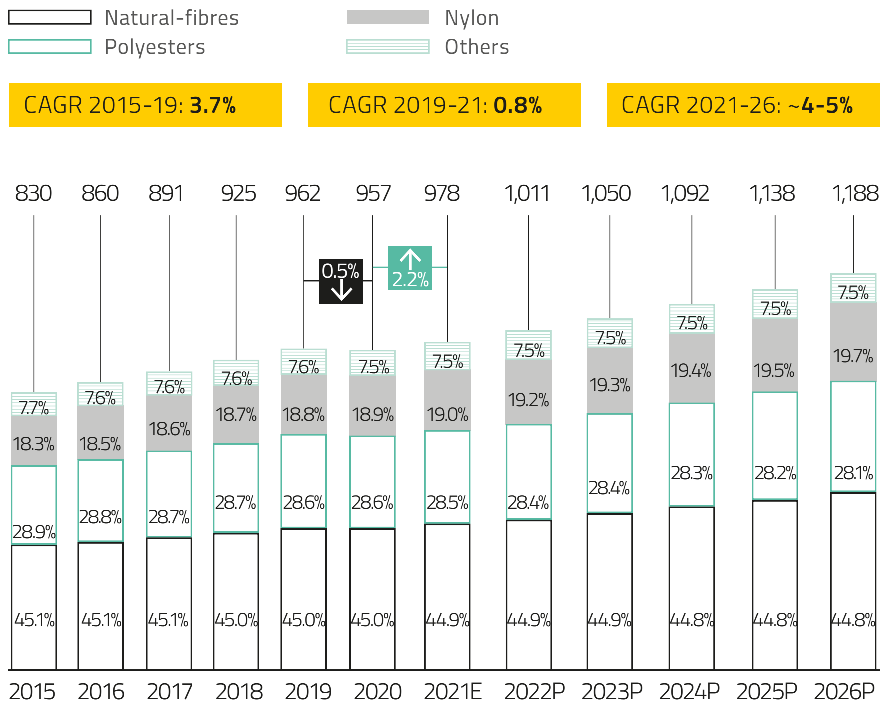
GLOBAL TEXTILE MARKET SIZE (IN USD BILLION) [3]



4-5%

The Global Textile market is expected to grow at 4-5% CAGR between fiscal 2021- 2026

GLOBAL TEXTILE MARKET SIZE (IN USD BILLION) [3]



The global textile market, estimated to be worth USD 978 billion in 2021, is likely to grow at a CAGR of 4-5% between 2021 and 2026. During the forecast period, the market is anticipated to be driven by the fashion industry's growing need for garments and the rise of e-commerce platforms. However, the pandemic has impeded the growth of the market. In addition, global trade restrictions created by a disrupted supply chain and a fall in textile product consumption have negatively impacted the market. Nevertheless, with government support and increased public awareness of effective preventative measures, the industry is projected to recover strongly over the forecast period.

Polyester is expected to grow at a 3-4% CAGR between 2021 and 2026, owing to the rising demand for polyester fibres in the textile industry and rapid growth of the fashion industry in developed countries coupled with shifting consumer preferences for polyester blended fibres. Rapidly changing fashion trends and modern living standards will create opportunities for high-end polyester fibres with high durability, quick-drying, and easy-to-clean properties. Rising income levels and rapid urbanisation have fueled fashion trends in several emerging economies. In addition, polyester fibres are now exclusively used for sports and gym clothing due to their lightweight and moisture- wicking properties, further accelerating market growth.

3. Grandview Research, CRISIL Research
4. Textile Exchange Report 2021

Management Discussion and Analysis (continued)

RECYCLED POLYESTER YARN [4]

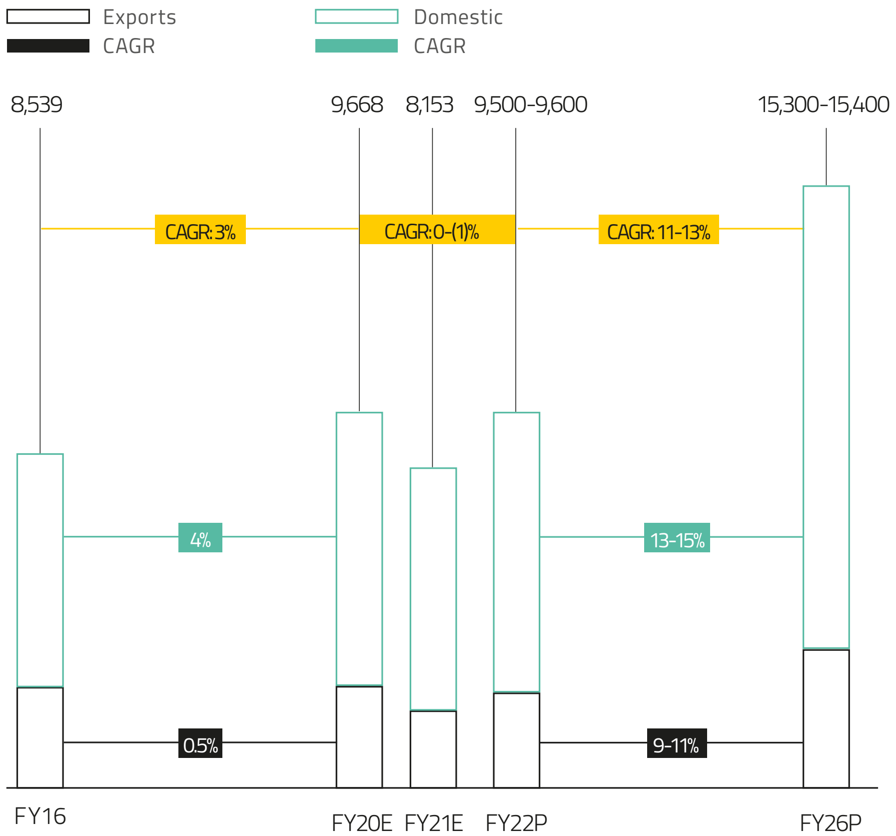
Textile consumption has increased over the years due to rising discretionary spending and trends, such as online retail. However, the expansion of the textile industry has had an adverse impact on the environment due to waste generation. Despite efforts to reuse and reduce clothing waste, a large portion ends up in landfills. To tackle the high volumes of waste generated, international brands are now increasing scrutiny on their supply chain practices. This scrutiny is one of the key factors driving the need for recycle solutions for textile waste.

Due to increased customer awareness and demand for recycled polyester from brands, the production of recycled polyester increased from 7.9 million tonnes in 2019 to 8.4 million tonnes in 2020 which is roughly 15% of the global PET market.

Currently, 99% of all recycled polyester is made from PET plastic bottles. However, with an increasing demand for post-consumer bottles by the bottle industry, competition for post-consumer bottles is increasing. Therefore, pre and post-consumer textile recycling is an important strategy to ensure future feedstock supply for the rPET textile industry.

The market share of chemically or biologically recycled polyester is still very low. Efforts to scale chemical and biological recycling are being seen globally and each company is finding solutions to technological challenges, feedstock availability, and energy use. With multiple companies starting commercial production of chemically recycled polyester soon and further companies in the research and development phase, the market share of chemically recycled polyester is expected to grow in the coming years.

TREND AND OUTLOOK OF INDIAN TEXTILE AND APPAREL MARKET (INR IN BILLION)



Domestic Indian textile consists of Ready-made garments, Technical textiles, and Home- made Textiles

INDIAN TEXTILE INDUSTRY

The Indian textile and apparel industry plays a significant role in the nation's economic growth. According to the Ministry of Textiles annual report for 2020-21, Indian textiles and apparel contributed 11.8% of total exports in the fiscal year 2020. Furthermore, the Indian textile and apparel industry accounts for 5% of the global textile and apparel industry. The primary strength of the Indian textile and apparel industry is its sizable raw material base and manufacturing units, which are present throughout the value chain. In addition, the industry provides direct and indirect employment to more than 45 million and 100 million people, including women and the rural population.

The Indian textile and apparel market, pegged at INR 8,153 billion in the fiscal year 2021, is anticipated to grow at a CAGR of 11-13% between fiscal years 2022 and 2026 and reach a value of INR 15,300 - INR 15,400 billion. During this period, it is anticipated that exports will grow at a CAGR of 9 to 10%, while the domestic industry will grow at a slightly higher pace of 13 to 15%.

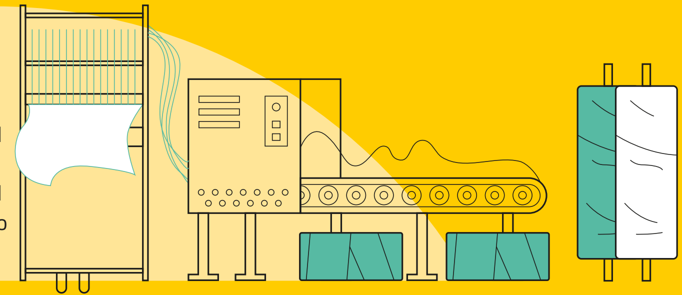
Various economic factors, such as a rise in discretionary income and urbanisation, will drive the continued expansion of the Indian textiles and apparel market. In addition, an increase in online retailing, a shift from cotton to man-made fibre, and the expansion of global industry outside of China would contribute to the growth trajectory of the Indian markets.

5. Ministry of Textiles, DGCI&S, CRISISL Research

GROWTH DRIVERS FOR INDIAN TEXTILE INDUSTRY

SHIFT IN DEMAND TOWARDS MMF AND TECHNICAL TEXTILES

The global textiles business is transitioning from cotton to man- made fibres (MMF) and technical textiles. This is demonstrated by the fact that MMF accounted for 70% of worldwide RMG commerce in 2019. The Indian textile industry has begun to adopt this tactical adjustment. To encourage this transformation, the Indian government has enacted a number of schemes and regulations, including the PLI scheme, the National Technical Textiles Mission (NTTM), and MITRA. These initiatives would aid in attracting investments to the segments.

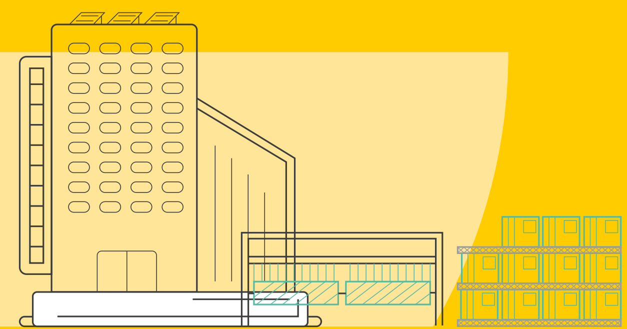


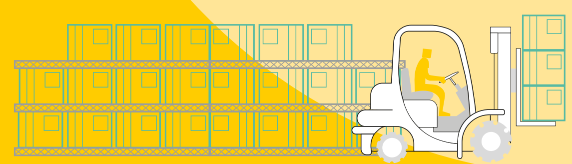
INCREASING TREND IN ONLINE RETAIL

Low ticket sizes, deep discounts, the availability of a more comprehensive product range, and shopping festivals have all contributed to significant online sales in recent years. Despite widespread concern about Indian shoppers' preference for touching, feeling, and checking the fit of their clothing before purchase, the online apparel market has grown in popularity. This, along with an increase in internet penetration in India, has aided growth in the online retail sector. Moving forward, changing lifestyles combined with increased internet access among the general population would pave the way for a convenient and hassle-free online shopping experience, boosting demand in the textile sector.

CHINA + 1 STRATEGY

Global brands and retailers have started expanding their manufacturing horizons outside of China in the textiles segment. This presents an opportunity for India. In terms of labour costs, ease of doing business, and skilled workforce, India stands out as an attractive option. This, in conjunction with incentives provided by the Government of India, such as the PLI scheme, which provides incentives for greenfield and brownfield capacity expansion for both MMF and technical textile segments, would further strengthen the positioning of Indian manufacturers.

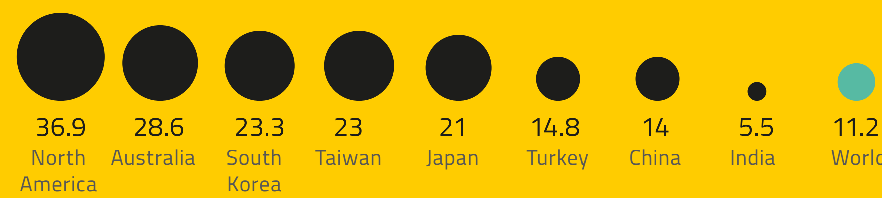




LOWER THAN WORLD AVERAGE PER CAPITA FIBRE CONSUMPTION

India's per-capita fibre consumption is 5.5 kg, which is less than half the global average of 11 kg. Developed countries like North America, Australia, and Japan consume more than 20 kg of fibre per capita. Similarly, India consumes only 3.1 kg of MMF per capita, compared to the global average of 7.7 kg. The consumption of MMF in the country is lower than the global average and that of developed countries, indicating a huge potential for MMF in the country.

REGION-WISE PER-CAPITA CONSUMPTION OF ALL FIBRES (KG/CAPITA) [6]



6. Ministry of Textiles

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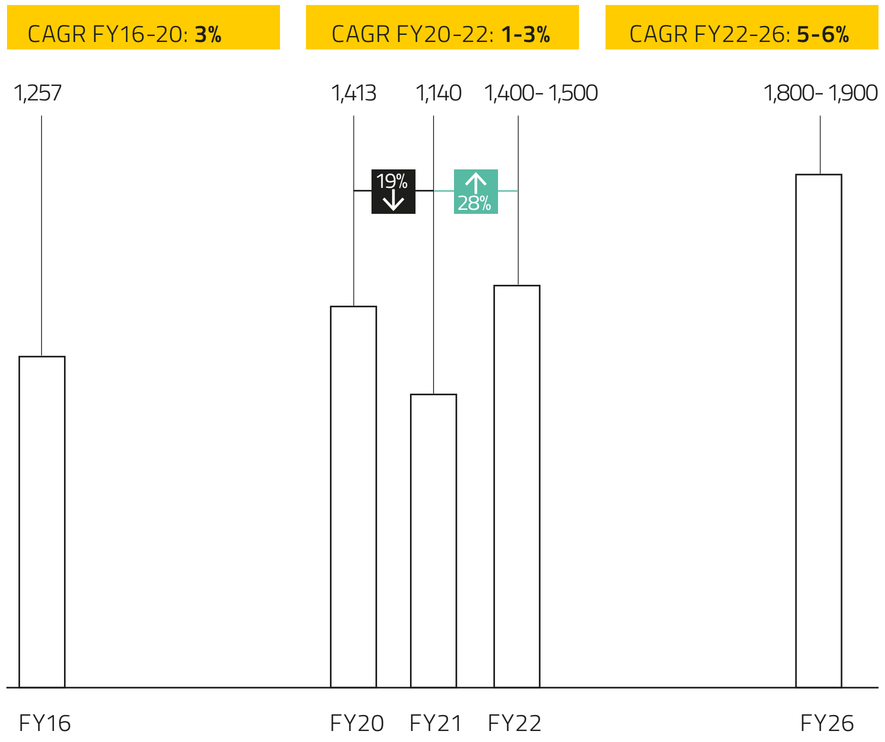
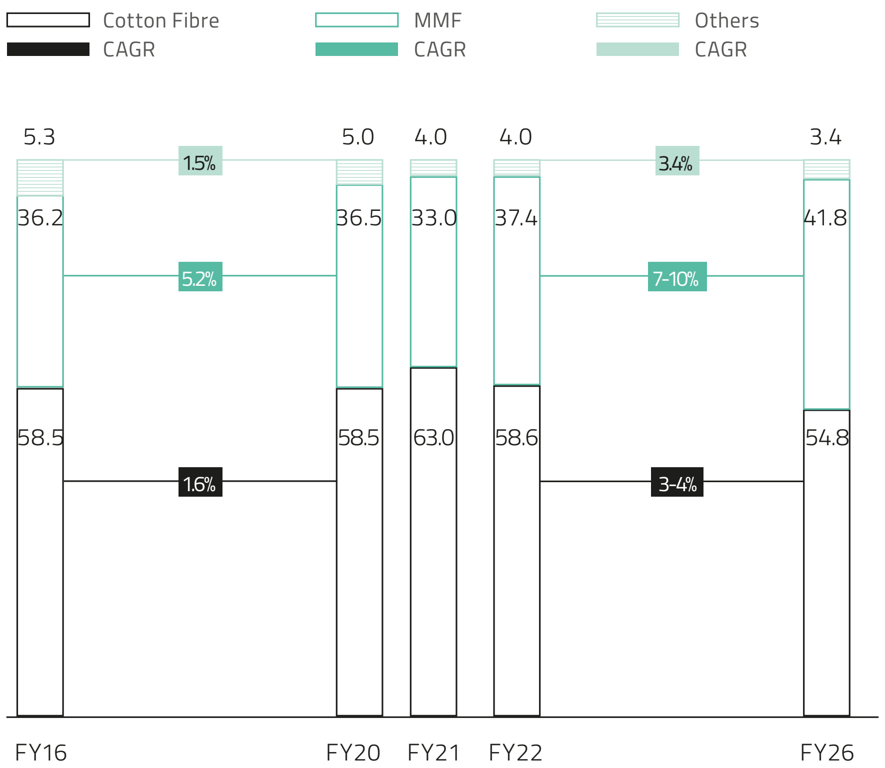
INDIAN YARN INDUSTRY

INDIAN TEXTILE YARN MARKET (IN INR BILLION) [7]



FIBRE-WISE BREAKUP OF INDIAN TEXTILE YARN MARKET (IN %)



The textile yarn market in India, which accounted for approximately INR 1.4 trillion in the fiscal year 2020, decreased by 19% and reached INR 1.1 trillion in the fiscal year 2021 due to the pandemic's impact on consumption. However, the market for textile yarn is anticipated to have increased between 28 and 32 % in the fiscal year 2022, driven by pent- up demand as stores reopened and economic activity increased following the lifting of nationwide lockdowns.

Additionally, the increase in cotton yarn costs bolstered the demand for polyester and viscose yarn. As global economic conditions improve, demand from key export markets such as Brazil, Turkey, and the United States (US) is anticipated to increase further. Nonetheless, competition from China will continue to be one of the primary factors affecting India's export growth.

Recent announcements by the Indian government, including performance- linked incentive (PLI) schemes and mega investment textile parks (MITRA), are designed to improve the textile industry's economies of scale, export potential, and competitiveness. If both programmes are implemented effectively and promptly, they will increase MMF-based RMG exports, thereby increasing demand for MMF and yarn. As a result, between fiscal years 2022 and 2026, the MMF market is anticipated to grow at a CAGR of 7 to 10%.

7. Ministry of Textiles, CRISISL Research

SUPPLY CHAIN

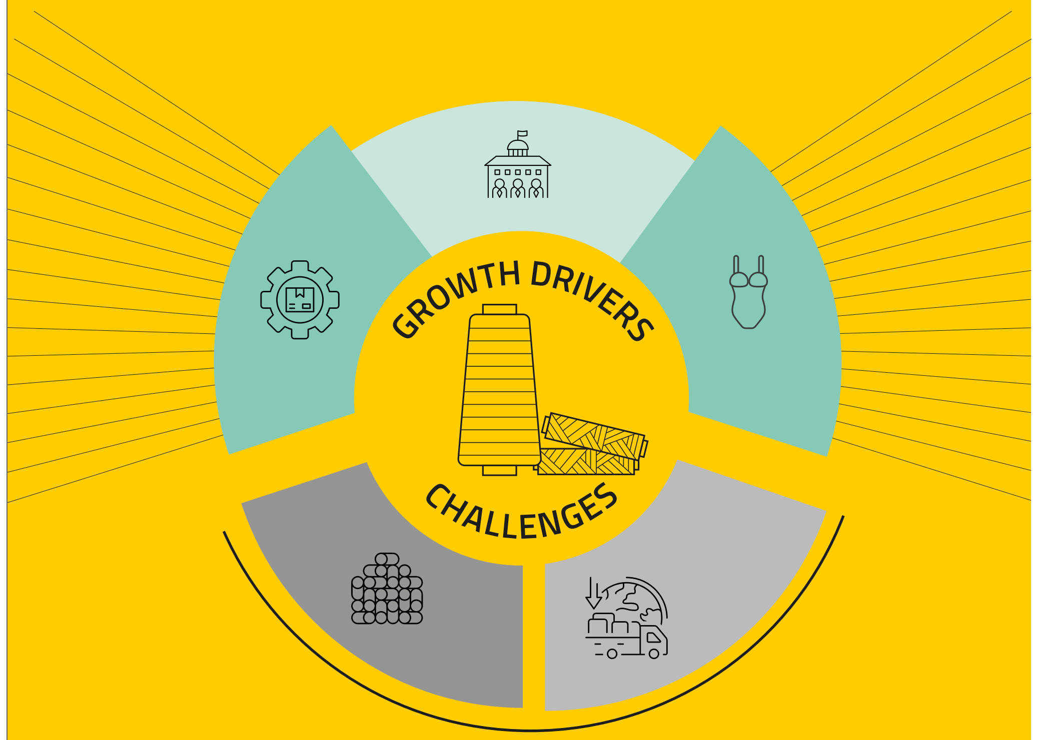
In light of China's current difficulties with rising wages and a lack of available workers, India has become an attractive alternative. Additionally, India's position as the world's largest producer of cotton and the second largest producer of polyester and viscose would lend significant support to the growing yarn manufacturing industry.

GOVERNMENT INITIATIVES

New low-cost locations for textile manufacturing are emerging in India with support extended by the government. In addition, initiatives taken by the Government of India, such as Performance-linked (PLI) and Mega Investment Textile Parks (MITRA), will boost MMF-based ready-made garment (RMG) exports, thus boosting demand for yarn.

END USER INDUSTRY

End-use categories such as sportswear, quick- drying garments, and additional equipment such as waterproof liners, sleeping bags, etc., increase the global need for polyester yarn. In addition, the segment would benefit from a shift in customer preference from cotton to polyester yarn due to polyester's superior strength and wrinkle-resistant properties.



RAW MATERIAL PRICE FLUCTUATION

Raw material cost is the largest cost component for the yarn-manufacturing industry. Volatility in the price of raw material affect the polyester yarn manufacturers. When sharp price corrections occur and are further amplified by depreciating rupee value, the price fluctuations impact yarn players due to limited ability to pass on the price rise and inventory losses. Hence, the major determinant of profitability for a yarn manufacturer is the management of raw material price fluctuations, making it a key challenge for the industry..

IMPORT DUTIES

India ranks low in competitiveness as compared to Bangladesh, Pakistan, and Vietnam, owing to FTAs that provide them privileged access. FTAs and other beneficial policies make duty-free access to export destinations possible, allowing countries to price their commodities competitively.

COMPANY OVERVIEW

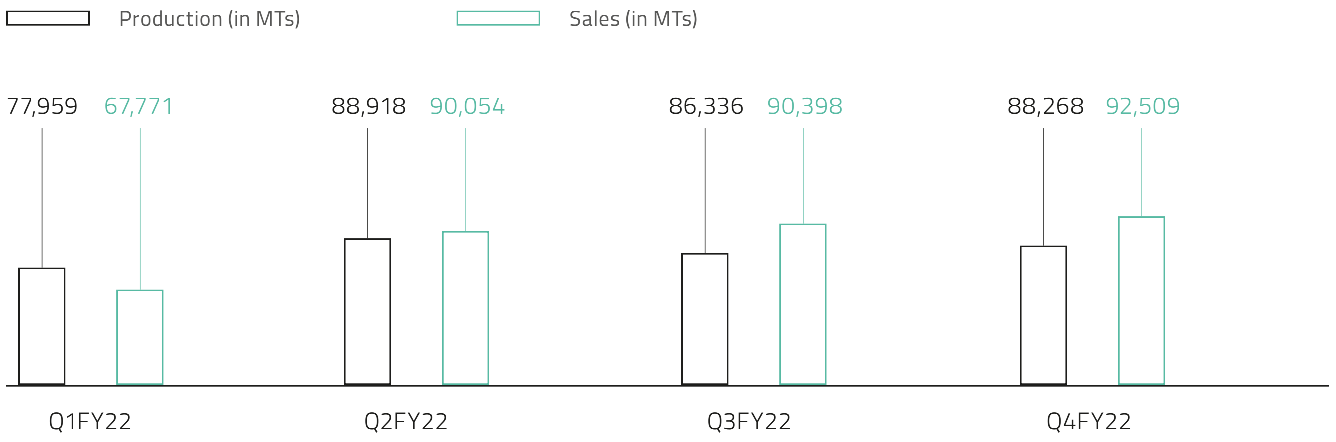
Filatex India Limited, incorporated in 1990, is one of India's largest and integrated Polyester Filament Yarn manufacturers. With an annual production capacity of over 400,000 tonnes, the Company is a trusted brand in the country, offering a diverse range of products such as POY, FDY, DTY, and ATY. Headquartered in Delhi, the Company has a significant national and international footprint. The Company's two cutting-edge manufacturing facilities in Dahej and Dadra, combined with its extensive experience of more than 28 years, enable it to implement its ethos of quality in every aspect of a value chain. In recent years, the Company has consistently outpaced industry growth and emerged as the trusted partner of choice for its customers in the textiles industry.

FINANCIAL PERFORMANCE

During the year, the Company recorded a production volume of 3,41,480 MT as against 2,58,693 MT in FY21. The sales volume increased to 3,40,480 MT as against 2,59,905 MT in the previous year. The revenue from operations grew by 72% from INR 2,227 crores in FY21 to INR 3,828 crores in FY22. EBITDA stood at INR 531.1 Crores compared to INR 347.3 crores recording a growth of 53%. The net profit increased by 82% to INR 302.7 crores from INR 165.8 crores in FY21. A healthy cash flow surplus enabled the Company to prepay a large share of term loans in this financial year, reducing the debt-equity ratio to 0.33 from 0.77. In March 2022, the board also approved the buyback offer at the rate of INR 140 per share for an amount of INR 59.50 crores.

With an annual production capacity of over 400,000 tonnes, the Company is a trusted brand in the country

QUARTERLY PERFORMANCE



in INR crores	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Revenue from Operations (Net Sales)	698.91	964.95	1,074.22	1,090.01
EBITDA	101.17	125.14	159.18	145.62
PBT (Before exceptional item)	76.12	109.57	147.63	123.63
PAT	52.14	73.78	98.25	78.55

KEY FINANCIAL RATIOS

Disclosures of key changes in financial indicators [SEBI (LODR) (Amendment) Regulations, 2018, Para 3(x)(b)]

RATIO	FY22	FY21	CHANGE %	REMARKS
Debtor Turnover Ratio in days	12.71	19.69	(35.44)	Due to loss of revenue in H1FY21 caused by the Covid-19 pandemic and subsequent lockdown, the full-year debtor days give a skewed picture. However, if we consider a comparison with H2FY21 once the lockdowns were lifted, the debtor turnover ratio is 11.49 days in H2FY21 compared to 12.71 days in FY22.
Inventory Turnover Ratio in days	30.04	34.93	(14.00)	
Interest Coverage Ratio	24.47	7.73	216.55	Strong growth operating profits supported by cash flow generation helped Company repay the long term borrowings, resulting in improving interest coverage ratio
Current Ratio	1.59	1.34	18.66	
Debt Equity Ratio	0.33	0.77	(57.14)	Strong growth operating profits supported by cash flow generation helped Company repay the long term borrowings, reduction in debt-equity ratio
Operating Profit Margin	13.87	15.60	(11.08)	
Net Profit Margin	7.91	7.45	6.17	
Return on Net Worth	32.76	24.43	34.10	Strong operating performance through the year resulted in higher profitability and subsequently higher return on net worth.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employees are regarded as the Company's most valuable asset. To that end, the Company has developed policies to nurture employee talent and ensure that opportunities for advancement are available and that their skills grow in tandem with their responsibilities. The HR department considers skill, commitment, and sincerity when evaluating organisational talent. In addition, the Company has offered ESOPs to senior employees in order to retain valuable employees. The Group Accident Insurance Scheme has also been implemented as a welfare measure for all employees.

Human resource policies that are consistent and equitable ensure that industrial relations remain peaceful and cordial, which increases productivity and effectiveness.

By establishing systems and processes and emphasising the recruitment of high-quality labour, the Company aims to foster a growth-oriented culture among its employees. In addition, the emphasis on transparent performance evaluation and incentive schemes tied to productivity has resulted in a more motivated workforce and higher productivity. A further important step for senior-level promotions and recruitment is the administration of temperament and management aptitude tests, which aid in evaluating the soft skills required for directing the Company's operations.

The Company also regularly conducts training programmes to improve employees' skill sets and work capabilities at all levels, which is critical for their growth. Furthermore, a strong emphasis is placed on developing a succession plan for all key positions. This emphasis is extended to well- qualified, young family members undergoing rigorous operational training.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Filatex has a robust internal monitoring and control system to ensure the efficiency of operations and processes, the protection of company assets from unauthorised use, and the authorisation of financial transactions.

The Company's internal control system is proportional to its size, scope, and operational complexity. The Company has a 'Budgetary Control' system, and the management routinely monitors actual performance. In addition, it has a clearly defined organisational structure, authority matrix, and internal regulations.

The internal control system ensures the accuracy of financial and other records for preparing financial statements and keeping accurate asset records.

An independent agency continues to serve as the Company's Internal Auditor, reviewing "Operations & Systems" audits per the audit committee's guidelines. As part of their duties, internal auditors evaluate and assess the adequacy and effectiveness of internal control measures and compliance with generally accepted accounting principles and statutory requirements. The internal audit reports are discussed/reviewed by senior management and the Board's audit committee, and based on their recommendations, the appropriate compliance measures are implemented.

CAUTIONARY STATEMENT

Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When used in this discussion, words like 'will', 'shall', 'anticipate', 'believe', 'estimate', 'intend' and 'expect' and other similar expressions, as they relate to the Company or its business, are intended to identify such forward- looking statements.

The Company undertakes no obligations to publicly update or revise any forward- looking statements, whether as a result of new information, future events, or otherwise. Accordingly, actual results, performances, or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include key raw materials availability and prices, cyclical demand of the products in the markets, changes in Government regulations, exchange rate fluctuations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as of their dates.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting 32[nd] Annual Report of the Company alongwith the Audited Financial Statements for the financial year ended 31[st] March, 2022.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	2021-22	2020-21
Total revenue (Turnover)	3,82,809	2,22,715
Other income	2,523	946
Total Income	**3,85,332**	**2,23,661**
Profit before Finance Cost,		
Depreciation and Tax	55,633	35,680
Finance Cost	3,600	5,881
Depreciation & amortization expense	6,338	5,836
Profit/(Loss) before exceptional items & tax	**45,695**	**23,963**
Exceptional Items -Profit	164	-
Profit before tax	**45,859**	**23,963**
Tax expense		
- Current	14,010	6,1388
- Deferred	1,576	1,242
Total Tax	**15,586**	**7,380**
Net Profit/(Loss) after tax	**30,273**	**16,583**
Other comprehensive losses	30	30
Total comprehensive income	**30,243**	**16,613**

DIVIDEND

The Board of Directors of the Company ('the Board') has recommended final dividend of ₹ 0.20 (Twenty Paisa) per equity share on 22,15,05,625 equity shares of face value ₹ 2 each for the year ended 31[st] March, 2022. The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company scheduled to be held on 27[th] September, 2022. The dividend once approved by Shareholders will be paid within the statutory time limit.

As per section 194 of Income Tax Act, a company is required to deduct TDS @ 10% on dividend payment if it exceed ₹ 5000/-. However , no TDS shall be deducted in the case of any dividend payment to , Life Insurance Corporation, General Insurance Corporation of India, any other insurer and Mutual Funds specified u/s 10 (23D) of Income Tax Act. Moreover, as per section 195 of the Act TDS is required to deduct @ 20% plus surcharge on payment of Dividend to Non Resident.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy of the Company is available on the Company's website www.filatex.com.

TRANSFER TO RESERVES

During the year under review, no amount has been transferred to the Reserves and the entire amount of profits has been retained in the profit and loss account.

OPERATIONS & EXPANSION

The global turbulence experienced in FY21 continued in FY22. This year was witness to two waves of Covid in India along with the invasion of Ukraine by Russia. Russia's invasion of Ukraine, amid an already slowing recovery from the pandemic, led to disruptions in commodity markets and to supply chains leading to sudden hikes in prices of crude oil and gas, food grains and several other commodities.

However, despite the partial lockdowns and economic slowdown, the recovery post the second and third wave of Covid-19 was faster as there was no curb on operations. The government's vaccination program also alleviated the fears of the work force.

The Company delivered substantial growth in FY22 as compared to FY21. It achieved an EBIDTA of INR 531.1 crores, profit before tax of INR 458.5 crores and profit after tax of INR 302.7 crores in FY22 which are all new highs for the company. The company also achieved highest production and sales quantities of 3,41,480 MT and 3,40,665 MT respectively in FY22.

The Company commissioned and commenced commercial production of its captive thermal power plant of 30 MW capacity at Dahej on 4th August 2021.

The work on the expansion project of debottlenecking melt capacity of 50 TPD and manufacturing lines of 120 TPD of POY is progressing well. The Company is targeting to complete the installation and commissioning activities by August 2022.

The company has also engaged in R & D activities to develop process parameters for chemical recycling of Polyester waste. It is in the process of setting up a 1500 Kgs per day pilot plant which will help revalidate the process conditions and operating costs.

SUBSIDIARY COMPANY

During the year ended 31st March, 2022, the Company doesn't have any subsidiary. Therefore, Statement containing salient features of the Financial Statement of the said Subsidiary Company is not required to be attached as required under the first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

FILATEX EMPLOYEE STOCK OPTIONS SCHEME, 2015

The Nomination & Remuneration Committee had, at its meeting held on 12th February, 2016, granted 9,50,000 stock options ("options") of face value of ₹ 10 each [subsequently sub-divided into 47,50,000 shares of face value of ₹ 2 each] to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015) at an exercise price of ₹ 37 per option (after sub-division, ₹ 7.40 per option) (being the closing price at BSE on 11th February, 2016 i.e. immediately preceding the grant date), each option being convertible into one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

Further, the Nomination & Remuneration Committee had, at its meeting held on 7th May, 2018, granted 4,30,000 stock options ("options") of face value of ₹ 10 each [subsequently sub-divided into 21,50,000 shares of face value of ₹ 2 each] to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015) at an exercise price of ₹ 211 per option (after sub-division, ₹ 42.20 per option) (being the closing price at BSE on 11th February, 2016 i.e. immediately preceding the grant date), each option being convertible into one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

On the recommendation of Nomination & Remuneration Committee in its meeting held on 28th August, 2020, Members of the Company in their Annual General Meeting held on 30th September, 2020 approved the repricing of the outstanding employee stock options granted in 2nd Tranche under Filatex Employee Stock Option Scheme, 2015 from Exercise price of ₹ 42.20 per option to ₹ 28.85 per option.

Diluted Earnings per share (EPS) taking the effect of issuance of options under Filatex ESOS 2015 had been calculated (refer Note No. 41 of the Financial Statement). Disclosure under SEBI (Share Based Employees Benefits) Regulations, 2014 regarding details of the Filatex ESOS, 2015 for the financial year ended 31st March, 2022 has been given in Note 51 of the Financial Statement.

SHARE CAPITAL

During the Financial year 2022-23, the Company has bought back 42,50,000 Equity Shares of ₹ 2 each at a price of ₹ 2 each amounting to ₹ 59.50 crores. The Company also paid Buyback Tax of ₹ 13.66 Crores .

Further, the Company allotted 4,90,375 Equity Shares of ₹ 2 each on 21st June, 2022 at an exercise price of ₹ 28.85 per share against exercise of Stock Options to the Employees of the Company under Filatex Employee Stock Option Scheme 2015 (Filatex ESOS-2015).

Presently, the Company's Issued & Paid-up Share Capital is ₹ 44,30,11,250 consisting of 22,15,05,625 Equity shares of ₹ 2/- each.

DEPOSITS

During the year under review, the Company has not accepted any deposits.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Due to advancing age and health related issues, **Shri Brij Behari Tandon** (DIN: 00740511) has resigned from the position of Independent Director of the Company with effect from 27th May, 2022. The Board of Directors of the Company, in its meeting held on 27th May, 2022 noted his resignation and placed appreciation for guidance and support provided by him during his tenure as a Director of the Company.

The Members of the Company on 20th July, 2022 through postal ballot re-appointed Shri Madhu Sudhan Bhageria (DIN:00021934), Chairman & Managing Director, Shri Purrshottam Bhaggeria (DIN:00017938), Joint Managing Director and Shri Madhav Bhageria (DIN:00021953), Joint Managing Director & CFO of the Company for a further period of 3 years w.e.f. 30.07.2022.

The Members of the Company on 20th July, 2022 through postal ballot also re-appointed Shri Ashok Chauhan (DIN: 00253049) for a further period of 2(two) years w.e.f. 01.05.2022.

Shri Ashok Chauhan (DIN: 00253049), Whole-time Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting

The Board of Directors in its meeting held on 27th July, 2022 appointed Shri Rajender Mohan Malla (DIN:00136657) as an Additional Independent Director for a period of three years subject to approval of the members of the Company in the ensuing Annual General meeting.

Shri Swarup Chandra Parija, Shri Suraj Parkash Setia and Smt. Pallavi Joshi Bakhru and Shri Rajender Mohan Malla, Independent Directors have confirmed that their names have been enrolled in the Independent Directors' Databank.

The directors would like to confirm that the Company has received declaration from all the Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence". Accordingly, requirement of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) & Regulation 25 (8) of the Listing Regulations are duly complied with. Pursuant to the circular relating to the "enforcement of SEBI Order regarding appointment of directors by listed companies" dated 20th June, 2018, any director of the Company, is not debarred from holding the office of director pursuant to any SEBI order. Your directors would like to confirm that as per opinion of the Board of Directors, all the Independent Directors of the Company meet the requirement of integrity, expertise and experience (including the proficiency) required for their appointment.

Pursuant to the provisions of Section 203 of the Act, at present, the Key Managerial Personnel of the Company are: Shri Madhu Sudhan Bhageria, Chairman and Managing Director, Shri Purrshottam Bhaggeria, Joint Managing Director & Shri Madhav Bhageria, Joint Managing Director & CFO, Shri Ashok Chauhan, Wholetime Director and Mr. Raman Kumar Jha, Company Secretary of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out an evaluation of its own performance, the directors individually and the evaluation of the working of its Audit, Nomination & Remuneration Committees, Stakeholders Relationship Committee and Finance & Corporate Affairs Committee. The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination & Remuneration Policy is available on the Company's website www.filatex.com.

CORPORATE SOCIAL RESPONSIBILITY

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee consists of Shri Madhu Sudhan Bhageria as the Chairman, Shri Purrshottam Bhaggeria, Shri Madhav Bhageria and Mrs. Pallavi Joshi Bakhru, as members.

The Board, on the recommendation of CSR Committee, approved ₹ 329.33 Lakh being two percent of average net profits of ₹ 16,466.50 Lakh during preceding three financial years of the Company calculated in accordance with the provision of Section 198 of the Companies Act, 2013 to be spent on CSR activities during the financial year 2021-22 in accordance with CSR Policy, which is available at the Company website www.filatex.com.

During the year under review, the Company has incurred an expenditure of ₹ 217.35 Lakhs on Education, Swachh Bharat Abhiyan, Health facilities, Promotion of sports, making available safe drinking water, environment sustainability, rural development, women empowerment etc. However, it could not spend total CSR amount due to setting up a new Hospital in Jolva Village, Dahej. The Board of Directors in its meeting held on 14th February, 2020 approved to start a 20 Bed Hospital with a causality/emergency ward at a budgeted cost of the project is ₹ 600 Lakhs which will be funded from our CSR budget in the coming years. Eventually, over the years, we will build a 50 Beds Hospital and School ("hereinafter referred as **Ongoing Project**"). Pursuant to Section 135(6) of the Companies Act, 2013, the Company has transferred an amount of ₹ 111.98 Lakh in CSR Unspent Account (FY 2021-22) on 30th April, 2022. The said amount shall be spent within a period of three financial years from the date of such transfer for above Ongoing Project, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Details of the expenditure incurred towards CSR activities for the financial year 2021-22 is annexed herewith as **Annexure "A".**

MEETINGS OF THE BOARD

Six (6) meetings of the Board of Directors were held during the year. The details of which are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors state that:

i. in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed and that there are no material departures therefrom;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profits of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis.

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

vi. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

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

CORPORATE GOVERNANCE

The Corporate Governance Report and Management Discussion & Analysis as per Schedule V of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 along with Certificate regarding compliance of conditions of Corporate Governance are annexed herewith as **Annexure "B".**

MANAGEMENT DISCUSSION & ANALYSIS

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, the Management Discussion & Analysis is set out in this Annual report.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, the Business Responsibility Report is set out in this Annual report.

AUDITORS

As per the provisions of Section 139 of the Companies Act 2013, **M/s Arun K. Gupta & Associates** (Firm Registration No. 000605N) was appointed as the Statutory Auditors to hold office for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 27th Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting to be held in 2022 on such remuneration plus GST, out-of-pocket expenses etc. to be decided by the Board of Directors.

The Board of Directors of the Company, in its meeting held on 27th May, 2022 recommended re-appointment of M /s Arun K. Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company for a further term of five years commencing from the Company's financial year 2022-23 to hold office from the conclusion of the 32nd Annual General Meeting of the Company till the conclusion of the 37th Annual General Meeting to be held in 2027 subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

JOINT STATUTORY AUDITOR

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, Members of the Company in their Annual General Meeting held on 30th September, 2020, appointed **M/s R. N. Marwah & Co. LLP**, (Firm Registration no. (001211N/N500019), Chartered Accountants, as the Joint Statutory Auditor of the Company for a term of five years commencing from the Company's financial year 2020-21 to hold office from the conclusion of the 30th Annual General Meeting of the Company till the conclusion of the 35th Annual General Meeting to be held in 2025 on such remuneration plus GST, out-of-pocket expenses etc. as decided by the Board of Directors.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s Arun K. Gupta & Associates, Statutory Auditors and M/s R. N. Marwah & Co. LLP, Joint Statutory Auditor, in their report for the Financial Year ended 31st March, 2022. The Statutory Auditors and Joint Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company /Central Government in the year under review.

COST AUDITORS

Your Company has appointed **M/s Bahadur Murao & Co**., (Firm Registration No. 000008) a firm of Cost Auditors, for conducting the audit of cost records for the financial year 2022-23 as the Cost Auditor at a remuneration of ₹ 65,000 plus GST and out of pocket expense subject to the approval of the Central Government and Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

The Board has appointed **M/s Siddiqui & Associates**, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith as **Annexure "C"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which may be considered as material in accordance with the policy of the Company on materiality of related party transactions.

Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014), Form No. AOC-2 is annexed herewith as **Annexure "D"**.

Policy for determining 'material' subsidiaries and the Policy on related party transactions as approved by the Board may be accessed on the Company's website www.filatex.com.

Your Directors draw attention of the members to Note no. 47 to the financial statement which sets out related party disclosure.

STOCK EXCHANGE LISTING

Presently, the Equity Shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange. The Annual Listing Fee for the year 2022-23 has been paid to the Stock Exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, is annexed herewith as **Annexure "E"**.

PARTICULARS OF EMPLOYEES

During the year, no employees of the Company received remuneration more than ₹ 102.00 Lakhs per annum or ₹ 8.50 Lakhs per month if employed for part of the year except Shri Madhu Sudhan Bhageria, Chairman & Managing Director, Shri Purrshottam Bhaggeria & Shri Madhav Bhageria, Joint Managing Director of the Company. Accordingly, information pursuant to the provisions of Section 197(12) of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure "F"**.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and name and designation of Top ten employees in terms of remuneration drawn are annexed herewith as **Annexure "F"**.

VIGIL MECHANISM

In terms of the Section 177 of the Companies Act, 2013 and SEBI Regulations, the Company has formulated the Whistle Blower policy/Vigil Mechanism. The Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/ Gujarati and the same should be addressed to the Vigilance Officer of the Company or in exceptional cases, to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and whistle blower policy may be accessed on the Company's website www.filatex.com.

During the year under review, no complaint was received from any Whistle Blower. No personnel of the Company were denied access to the Audit Committee. In this regard, Shri Ashok Chauhan, Wholetime Director is the Vigilance Officer of the Company.

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 & SEBI Regulations, the Company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures which is also given in the Corporate Governance Report. The Board of Directors don't foresee any elements of risk, which in its opinion, may threaten the existence of the Company.

RISK MANAGEMENT COMMITTEE

The Company constituted the Risk Management Committee consists of three Directors namely, Shri Madhu Sudhan Bhageria, Chairman & Managing Director, Smt. Pallavi Joshi Bakhru, Independent Director & Shri Ashok Chauhan, Executive Director and one Senior Executive, Shri Rajiv Kumar Kasturia, Senior Vice President (Marketing) of the Company. Shri Madhu Sudhan Bhageria will be Chairman of the Risk Management Committee.

The policy on Risk Management as approved by the Board is uploaded on the Company's website www.filatex.com

Your company believes that several factors such as advancements in technology, prevalent geo-political environment and stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. These impacts are likely to continue and intensify over time and for a business to be sustainable, it needs to adapt to the environment by managing risks and opportunities in a systematic manner

The Board of Directors of the Company are responsible for risk oversight functions. Risk Management Committee provide guidance for implementing the risk management policy across the organisation. The operation heads of each business units are primarily responsible for implementing the risk management policy of the company and achieving the stated objective of developing a risk intelligent culture that helps to improve the company's performance. The responsibility of tacking and monitoring the key risks of the division / business unit periodically and implementing suitable mitigation plans proactively is with the senior executives of various functional units. These risk owners are expected to avoid any undue deviations or adverse events and ultimately help in creating value for the business.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note No(s). 6 & 14 to the financial statement).

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

The Company has put in place and practiced an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been set up to redress complaints regarding sexual harassment. All employees are covered under this policy. During the year under review, the Company has not received any complaint under the said Policy.

ANNUAL RETURN

The Annual Return for FY2020-21 are available on the website of the Company www.filatex.com.

ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its sincere appreciation for the assistance, support and cooperation received from its Bankers, Government Authorities, Dealers, Customers and Vendor. Your Directors would like to record their sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution ensuring smooth operations that your Company has achieved during the year. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The directors also place on record their sincere appreciation for the confidence reposed by the Members in the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 27th July, 2022

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN: 00021934

Annexure - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company	As Per CSR Policy

2. Composition of CSR Committee

Sl. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Madhu Sudhan Bhageria	Chairman	There was one meeting of the Committee held on 27th July, 2021	1
2	Shri Purrshottam Bhaggeria	Member		1
3	Shri Madhav Bhageria	Member		1
4	Shri Brij Behari Tandon	Member		1
5	Smt. Pallavi Joshi Bakhru	Member		1

3. Provide the weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company	Composition of CSR Committee CSR Policy CSR projects approved by the Board	www.filatex.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	Not Applicable	

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1	2020-21	Nil	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
TOTAL		**Nil**	**Nil**

6. Average net profit of the company as per section 135 (5) (₹ In Lakhs)	16,466.36
7. (a) Two percent of average net profit of the company as per section 135 (5) (₹ In Lakhs)	329.33
7. (b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
7. (c) Amount required to be set off for the financial year, if any	Nil
7. (d) Total CSR obligation for the financial year (7a+7b-7c) (₹ In Lakhs)	329.33

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (₹ In Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the fund	Amount.	Date of transfer
217.35	111.98	30-Apr-22	Not applicable		

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (₹in Lakhs)	Amount spent in the current financial year (₹in Lakhs)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹in Lakhs)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
1	Setting up of New Hospital at Jolva Village	Promoting Health care	Yes	Gujarat	Bharuch	3 Years	600	-	222.94	Both	Lala Govindramjee Charitable Society	CSR00008815
TOTAL							**600**	**-**	**222.94**			

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (₹in Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1	Bus Tour arrangement for Village tour purpose	Rural Development	Yes	Gujarat	Bharuch	0.58	Yes	Not Applicable	
2	Civil & Development work in Village	Rural Development	Yes	Gujarat	Bharuch	5.00	Yes	Not Applicable	
3	Civil & Development work in Village School	Promoting Education	Yes	Gujarat	Bharuch	14.30	Yes	Not Applicable	
4	Construction activity in Village	Rural Development	Yes	Gujarat	Bharuch	15.26	Yes	Not Applicable	
5	Contribution for "NIPRO DIALYZER SYSTEM TO HOSPITAL"	Promoting Healthcare	Yes	Gujarat	Bharuch	13.44	Yes	Not Applicable	

6	Contribution towards Women's Day celebration for development of Adivasi Girls	Women Empowerment	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.11	Yes	Not Applicable	
7	Cricket Kits provided to village kids	Sports Promotion	Yes	Gujarat	Bharuch	1.00	Yes	Not Applicable	
8	Distribution of dry ration kit for Kilvani and Randha Panchayat	Promoting Healthcare	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	5.53	Yes	Not Applicable	
9	Distribution of Food Packets	Promoting Healthcare	Yes	Gujarat	Bharuch	22.64	Yes	Not Applicable	
10	Distribution of Food Packets to Medical Staff for Pulse Polio programme	Promoting Healthcare	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.68	Yes	Not Applicable	
11	Distribution of T-Shirt & Tracksuit to tribal youth for development of sports	Sports Promotion	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.10	Yes	Not Applicable	
12	Donation to "BHARAT KE VEER"	Armed forces veterans, war widows and their dependents	Yes	Delhi	PAN India	6.60	Yes		
13	Donation to "FRIENDS OF TRIBALS SOCIETY"	Promoting Healthcare	Yes	Gujarat	Bharuch	5.50	No	FRIENDS OF TRIBALS SOCIETY	CSR00001898
14	Donation to "HELP CARE SOCIETY"	Promoting Healthcare	Yes	Delhi	Delhi	0.47	No	HELP CARE SOCIETY	CSR00008265
15	Donation to "KRISHNA CANCER AID ASSOCIATION"	Promoting Healthcare	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.51	No	KRISHNA CANCER AID ASSOCIATION	CSR00015952
16	Donation to "PRADHAN MANTRI GARIB KALYAN ANNA YOJANA"	Rural Development	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	1.50	No	PRADHAN MANTRI GARIB KALYAN ANNA YOJANA	CSR00012860
17	Donation to "THE SHAKTI FOUNDATION" for Hospital equipments for Rural underprivileged	Rural Development	Yes	Delhi	Delhi	1.25	No	THE SHAKTI FOUNDATION	CSR00011735

18	Donation to "YUVA UNSTOPPABLE UDAAN"	Promoting Education	Yes	Gujarat	Bharuch	2.50	No	YUVA UNSTOPPABLE UDAAN	CSR00000473
19	Exercise Equipment provided in Jolva Village	Rural Development	Yes	Gujarat	Bharuch	7.04	Yes	Not Applicable	
20	Gardening and Cleaning work in Jolva Village	Swachh Bharat Abhiyan	Yes	Gujarat	Bharuch	23.35	Yes	Not Applicable	
21	Lightning and Mandap decoration for Village festival	Women Empowerment	Yes	Gujarat	Bharuch	0.50	Yes	Not Applicable	
22	Notebooks, Uniform, Table, Chair, Cupboard, Computer, Printer, water cooler etc provided to Schools	Promoting Education	Yes	Gujarat	Bharuch	30.70	Yes	Not Applicable	
23	Notebooks, Uniform, Table, Chair, Cupboard, Computer, Printer, water cooler etc provided to Schools	Promoting Education	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	1.96	Yes	Not Applicable	
24	Oxygen plant has been installed and is fully operational Radha Soami covid facility	Promoting Healthcare	Yes	Delhi	Delhi	5.00	Yes	Not Applicable	
25	Papad Making M/c & Sewing Machine given to Village/Gruh Udyog	Women Empowerment	Yes	Gujarat	Bharuch	4.84	Yes	Not Applicable	
26	Repair & maintenance of public toilets, bus stand, speed brakers at Demni road (road beautification)	Rural Development	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	3.15	Yes	Not Applicable	
27	Setting up Oxygen Gas Plant at Hospital	Promoting Healthcare	Yes	Gujarat	Bharuch	23.88	Yes	Not Applicable	
28	Sewing Machine given to Village women	Women Empowerment	Yes	Gujarat	Bharuch	0.10	Yes	Not Applicable	

29	Supporting Child Education	Promoting Education	Yes	Delhi	Delhi	1.12	Yes	Not Applicable	
30	Supporting Child Education	Promoting Education	0	Gujarat	Bharuch	1.00	Yes	Not Applicable	
31	Use of Ambulance, organising Medical checking camps, Distribution of medical supplies etc	Promoting Healthcare	Yes	Gujarat	Bharuch	16.62	Yes	Not Applicable	
32	Water cooler provided to Village	Rural Development	Yes	Gujarat	Bharuch	1.12	Yes	Not Applicable	
Total									**217.35**

8. (d) Amount spent on Administrative Overheads - ₹ in Lakhs	-
8. (e) Amount spent on Impact Assessment, if applicable - ₹ in Lakhs	-
8. (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ in Lakhs	217.35

8. (g) Excess amount for set off, if any

SI. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the financial year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)			(6)
SI. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (₹in Lakhs)	Amount spent in the reporting Financial Year (₹in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹in Lakhs)
				Name of the Fund	Amount (₹in Lakhs)	Date of transfer	
1	FY 2019-20	-	102.43		Not applicable		-
2	FY 2020-21	110.96	120.06		Not applicable		110.96
3	FY 2021-22	111.98	217.35		Not applicable		111.98
TOTAL		**222.94**	**439.84**				**222.94**

9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the project.	Financial year in which the project was commenced	Project duration	Total Amount allocated for the project (₹in Lakhs)	Amount spent on the project in the reporting Financial year (₹in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹in Lakhs)	Status of the project- Completed/ Ongoing
Not Applicable								
TOTAL					-	-	-	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(a) Date of creation or acquisition of the capital asset (s)	Not Applicable
(b) Amount of CSR spent for creation of acquisition of capital asset.	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

Place : New Delhi
Date : 27th July, 2022

Pallavi Joshi Bakhru
(Independent Director)

Madhav Bhageria
Joint Managing Director & CFO

Madhu Sudhan Bhageria
(Chairman and Managing Director & Chairman of CSR Committee)

ANNEXURE - B

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation"), given below is a Corporate Governance Report on the matters mentioned in the Schedule V of the Listing Regulation.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is fully committed to conduct its business with due compliance of all applicable laws, rules and regulations. The Company's philosophy on Corporate Governance lays strong emphasis on integrity, transparency, accountability and full disclosure in all facets of its operations to achieve the highest standards of Corporate Governance and also to enhance the trust of the creditors, employees, suppliers, customers and public at large. The Company continues to believe that all its operations and actions must serve the underlying goal of enhancing shareholders value over a sustained period of time.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business.

2. BOARD OF DIRECTORS

The Board of Directors consists of total 8 members comprising of 4 Executive Directors & 4 Non-Executive Directors & Independent Directors out of which one is women director representing an optimum mix of professionalism, knowledge and experience in their respective fields.

The Company currently has a right mix of Directors on the Board who possess the requisite qualifications and experience in general corporate management, finance and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Detailed profile of the Directors is given in this annual report.

i) Structure of Board of Directors

Sr. No.	Name	Category of Directors
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	Executive Director
2	Shri Purrshottam Bhaggeria Joint Managing Director	Executive Director
3	Shri Madhav Bhageria Joint Managing Director & CFO	Executive Director
4	Shri Brij Behari Tandon* Director	Non-Executive & Independent Director
5	Shri Swarup Chandra Parija Director	Non-Executive & Independent Director
6	Shri Suraj Parkash Setia Director	Non-Executive & Independent Director
7	Smt. Pallavi Joshi Bakhru Director	Non-Executive & Independent Director
8	Shri Ashok Chauhan Whole Time Director	Executive Director

* Resigned on 27.05.2022

Skills/Expertise/Competence of the Board of Directors

Core skills/expertise/competence required by the Board (as identified by the Board) for efficient functioning of the Company in the present business environment and those skills/expertise/competence actually available with the Board are as follows:-

Sr. No.	Skills / Expertise / Competence required by the Board of Directors		Status of availability with the Board
1.	Understanding of Business/Industry	Experience and knowledge of business related issues in general and those of textile business in particular	√
2.	Strategy and strategic planning	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities	√

3.	Critical and innovative thoughts	The ability to analyse the information and share innovative approaches and solutions to the problems	√
4.	Financial Understanding	Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources	√
5.	Market Understanding	Understanding of the Textiles Market dynamics	√
6.	Risk and compliance oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliances, and monitor risk and compliance management frameworks	√

Sr. No.	Name of Directors	Understanding of Business/ Industry	Strategy and Strategic Planning	Critical and Innovative Thoughts	Financial Understanding	Market Understanding	Risk and Compliance Oversight
1.	Shri Madhu Sudhan Bhageria	√	√	√	√	√	√
2.	Shri Purrshottam Bhaggeria	√	√	√	√	√	√
3.	Shri Madhav Bhageria	√	√	√	√	√	√
4.	Shri Brij Behari Tandon*	√	-	√	√	-	√
5.	Shri Swarup Chandra Parija	√	-	√	√	-	√
6.	Shri Suraj Parkash Setia	√	-	√	√	√	√
7.	Smt. Pallavi Joshi Bakhru	√	-	√	√	-	√
8.	Shri Ashok Chauhan	√	√	√	√	√	√

* Resigned on 27.05.2022

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. The Wholetime Directors of the Company are not the Independent Directors of any listed Company. Except Shri Madhu Sudhan Bhageria, Shri Purrshottam Bhaggeria and Shri Madhav Bhageria, none of the Directors are related to each other.

Shri Swarup Chandra Parija, Shri Suraj Parkash Setia, Smt. Pallavi Joshi Bakhru and Shri Brij Behari Tandon Independent Directors have confirmed that their names have been enrolled in the Independent Directors' Databank. The Company issues a formal letter of appointment to the Independent Directors at the time of their appointment and the same are uploaded on the Company's website.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

ii) Board Meetings

During the year 2021-22, the Board meets six times on 22nd April, 2021, 27th July, 2021, 25th August, 2021, 10th November, 2021, 27th January, 2022 and 29th March, 2022.

Further, 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(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 across all the Companies in which he/she is a Director.

Details of attendance of each Director at various meetings of the company and the membership held by the Directors in the Board/ Committees of other Companies are as follows: -

S. No.	Name	No. of Board Meetings attended	No. of Other Directorship*	Committee Memberships*	Committee Chairmanship*	Attendance in AGM	Directorship in Other Listed Entity (Category of Directorship)
1.	Shri Madhu Sudhan Bhageria	6	1	-	-	Yes	NO
2.	Shri Purrshottam Bhaggeria	6	1	-	-	No	NO
3.	Shri Madhav Bhageria	4	-	-	-	Yes	NO
4.	Shri Brij Behari Tandon	2	3	3	-	No	YES#
5.	Shri Suraj Parkash Setia	6	4	4	3	Yes	NO
6.	Shri Swarup Chandra Parija	6	-	-	-	Yes	NO
7.	Smt. Pallavi Joshi Bakhru	6	3	3	-	Yes	Yes#
8	Shri Ashok Chauhan	6	-	-	-	Yes	NO

* As on 31.03.2022 Represents Directorship & Membership/Chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Companies.

Directorship of Shri Brij Behari Tandon in other Listed Companies is as under:

Shri Brij Behari Tandon		Smt. Pallavi Joshi Bakhru	
Name of other Listed Companies	**Designation**	**Name of other Listed Companies**	**Designation**
Birla Corporation Limited	Independent Director	Gabriel India Ltd.	Independent Director
Duncan Engineering Limited			

iii) Board Procedure:

The members of the Board are provided with the requisite information mentioned in the SEBI Listing Regulations before the Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances. The Chairman & Managing Director alongwith two Joint Managing Directors and Wholetime Director manage the day-to-day affairs of the Company subject to the supervision and control of the Board of Directors. The Independent Directors take active part in the Board and Committee meetings which adds value in the decision making process of the Board of Directors.

All the Directors who are on various committees are within the permissible limits of the Listing Regulation. The necessary disclosures regarding committee positions have been made by the Directors.

iv) Meeting of Independent Directors:

The meeting of Independent Directors was held on 29th March, 2022 to discuss, inter-alia :

(a) the performance of Non Independent Directors and the Board as a whole;

(b) the performance of the Chairman & Managing Director of the Company, taking into account the views of Executive Director and Non Executive Directors;

(c) the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting. The criteria for performance evaluation of Directors is given under the heading Nomination and Remuneration Committee mentioned in Item 4 below.

v) Familiarisation Programme for Independent Directors:
Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

The Independent Directors have the opportunity to visit the plants of the Company, to enable them to understand of the manufacturing processes and operations and the Industry in which it operates.

All Directors of the Company are updated as and when required, of their role, responsibilities and liabilities. The Board of Directors have complete access to the information within the Company. Presentations are made regularly before the meetings of the Board of Directors and the Audit Committee, where Directors have an opportunity to interact with senior management personnel. Presentations cover, inter-alia, quarterly and annual results, business strategies, budgets, review of internal audit, risk management and such other areas as may arise from time to time.

Independent Directors have the freedom to interact with the Management of the Company. Interactions happen during the meetings of the Board or Committees, when senior management personnel of the Company make presentations to the Board.

3. AUDIT COMMITTEE

In terms of Section 177 of the Companies Act, 2013 and the Listing Regulation, the Audit Committee consists of Four Independent Directors and One Non Independent Director namely, Shri Suraj Parkash Setia, Shri Swarup Chandra Parija, Smt. Pallavi Joshi Bakhru and Shri Brij Behari Tandon and Shri Madhu Sudhan Bhageria. Smt. Pallavi Joshi Bakhru is Chairman of the Committee. The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Listing Regulation, which inter-alia include the overview of Company's Financial Reporting Process, review of Quarterly, Half Yearly and Annual Financial Statements, Management Discussion & Analysis, Adequacy of Internal Control Systems, Major Accounting Policies & Practices, Compliances with Accounting Standards, Related Party Transactions, appointment of statutory auditors and internal auditors etc.

The Company Secretary of the Company acts as the Secretary of the Committee.

The Internal Audit Reports are prepared by an external firm of Chartered Accountants & cover various areas of the operations of the Company. The Audit Committee reviews internal audit report regularly. This ensures a constant review of operations and systems and highlights the areas which need improvement. The reports form the basis for the management to develop and maintain a transparent and effective Internal Control system.

During the year 2021-22 the Committee met five (5) times and the gap between two meetings did not exceed 120 days. The attendance at the meetings is as under: -

Date of Meeting	No. of Members present
22-04-2021	4
27-07-2021	5
25-08-2021	4
10-11-2021	4
27-01-2022	4

Shri Purrshottam Bhaggeria, Joint Managing Director, Shri Madhav Bhageria, Joint Managing Director & CFO and, Shri Ashok Chauhan, Wholetime Director, Internal Auditors and Statutory Auditors & Joint Auditor are invited to attend the Audit Committee Meetings.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board. The previous AGM of the Company was held on 24th September, 2021. Smt Pallavi Joshi Bakhru, Chairman of the Audit Committee attended the last AGM.

4. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013 and the Listing Regulation, the Nomination & Remuneration Committee consists of five Directors namely, Shri Suraj Parkash Setia, Shri Swarup Chandra Parija, Smt. Pallavi Joshi Bakhru, Shri Brij Behari Tandon and Shri Madhu Sudhan Bhageria. Smt. Pallavi Joshi Bakhru is the Chairman of the Committee.

The Committee reviews and recommends the remuneration payable to Key Managerial persons on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record etc. The Company Secretary of the Company acts as the Secretary of the Committee. During the financial year ended 31st March, 2022, there was one meeting of the Committee held on 27.07.2021. Smt Pallavi Joshi Bakhru, Chairman of the Nomination and Remuneration attended the last AGM held on 24.09.2021. The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
27-07-2021	5

Nomination and Remuneration Policy:
The Company's Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration are available at the Company's website www.filatex.com.

Criteria for Performance Evaluation of Directors:
Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee. Criteria for performance evaluation included aspects such as Board composition and structure, effectiveness of Board processes, attendance at the

meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings etc. The above criteria for evaluation was based on the Guidance Note issued by SEBI.

Further, performance evaluation of the Managing Director/Joint Managing Directors/Wholetime Directors was based on the implementation of various plans & policies in the Company, monitoring and implementation of the projects including the smooth day to day affairs and operations of the Company and finally performance and business achievements of the Company.

Details of Remuneration paid/payable to the Directors during the Financial Year ended 31st March, 2022

(₹ In Lakh)

Sr. No.	Name of Directors	Salary & Allowances	Contribution to Provident Fund	Perquisites	Commission	Sitting Fees	Total
1	Shri Madhu Sudhan Bhageria Chairman & Managing Director	66.40	0.22	49.84	155.54	-	272.00
2	Shri Purrshottam Bhaggeria Joint Managing Director	59.20	0.22	18.43	155.54	-	233.39
3	Shri Madhav Bhageria Joint Managing Director & CFO	59.20	0.22	16.45	155.54	-	231.41
4	Shri Suraj Parkash Setia	-	-	-	-	3.05	3.05
5	Shri Swarup Chandra Parija	-	-	-	-	3.05	3.05
6	Shri Brij Behari Tandon	-	-	-	-	1.35	1.35
7	Smt. Pallavi Joshi Bakhru	-	-	-	-	3.45	3.45
8	Shri Ashok Chauhan Whole Time Director	38.15	-	4.49	-	-	42.64

The aforesaid amount does not include amount in respect of Gratuity and Leave encashment as the same is not paid.

The employment of Managing/Joint Managing Directors/Wholetime Director is on contractual basis. None of the Non-Executive Directors held any Equity Shares of the Company except Mr. Suraj Parkash Setia who holds 100 shares as on 31st March, 2022. The Managing/Joint Managing Directors/Wholetime Director are paid remuneration as approved by the Board of Directors and Shareholders on the recommendation of the Nomination and Remuneration Committee and are not paid sitting fees for Board/ Committee Meetings attended by them. Non-Executive Directors do not have any pecuniary relationship with the Company except payment of sitting fees for attending the Board/Committee Meetings. None of the Directors holds more than 10% of Equity Share of the Company.

The re-appointments of the Managing Director/Joint Managing Directors are made for a period of three years on the terms and conditions contained in the respective resolutions passed by the members in the Annual General Meetings/through postal ballot. Shri Ashok Chauhan, who has been re-appointed as Wholetime Director by the Board of Directors on the recommendation of the Nomination & Remuneration Committee for a further period of two years w.e.f., 01/05/2022 by the members of the Company through postal ballot. The Notice period is as per the respective resolutions passed for appointment of Managing Director/Joint Managing Directors/Wholetime Director. However, no severance fee is payable to them.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee was constituted consisting of Shri Madhu Sudhan Bhageria as the Chairman, Shri Purrshottam Bhaggeria, Shri Madhav Bhageria, Shri Brij Behari Tandon and Smt. Pallavi Joshi Bakhru, as members.

During the financial year ended 31st March, 2022, there was one meeting of the Committee held on 27th July, 2021.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
27-07-2021	5

6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (constituted on 27th July, 2021) consists of three Directors namely, Shri Madhu Sudhan Bhageria, Chairman & Managing Director, Smt. Pallavi Joshi

Bakhru, Independent Director & Shri Ashok Chauhan, Executive Director and one S & E of senior executive, Shri Rajiv Kumar Kasturia, Senior Vice President (Marketing) of the Company. Shri Madhu Sudhan Bhageria will be Chairman of the Risk Management Committee.

During the financial year ended 31st March, 2022, there was one meeting of the Committee held on 27th January, 2022.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
27-01-2022	4

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

For effective and efficient shareholders services, the Company has a Stakeholders Relationship Committee. The Committee comprises of Shri Suraj Parkash Setia & Shri Swarup Chandra Parija, Independent Directors and Shri Purrshottam Bhaggeria, Joint Managing Director of the Company. Shri. Suraj Parkash Setia is the Chairman of the Committee. Amongst the other functions, the Committee looks into redressal of Shareholders complaints like non-transfer of Shares, non-receipt of Balance Sheet, non-receipt of Dividends etc as required pursuant to Regulation 20 of the Listing Regulation.

The Company attends to Investors' Grievances/ correspondences expeditiously and all efforts are made to reply immediately. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investors' services.

During the year ended 31st March, 2022, twenty one (21) shareholders' complaints were received and resolved to the satisfaction of the shareholders and there was nil complaint pending as at the year end. There were no share transmission pending for registration as on 31st March, 2022.

The Company has also adopted a Code of Conduct for Prevention of Insider Trading in the Shares of the Company, pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Name and designation of Compliance Officer

Mr. Raman Kumar Jha, Company Secretary

8. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under: -

Year	Location	Date	Time	Whether Special Resolution passed
2018-19	Survey No.274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	27th September, 2019	10.00 A.M.	Yes
2019-20	Held through Online	30th September, 2020	11.00 A.M.	Yes
2020-21	Held through Online	24th September, 2021	11.00 A.M.	Yes

No Extra Ordinary General Meeting of Shareholders was held during the financial year 2021-22. No Special Resolution was passed by Postal Ballot in any of the aforesaid Annual General Meetings.

Postal Ballot

During the financial year 2021-22, there were no resolutions passed through postal Ballot.

As on date there is no proposal to pass any resolution by postal Ballot.

9. DISCLOSURES

(i) None of the transactions with any of the related party were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties set out in Note No. 47 of financial statement forming part of the Annual Report.

(ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

(iii) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are adopted have been set out in the Notes to Accounts forming part of the Annual Report.

(iv) In terms of the Section 177 of the Companies Act, 2013 and Listing Regulation, the Company has formulated the Whistle Blower policy/Vigil Mechanism. The Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/ Gujarati and the same should be addressed to the Vigilance Officer of the Company or in exceptional cases, to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and whistle blower policy may be accessed on the Company's website www.filatex.com.

(v) Policy for determining 'material' subsidiaries and policy on dealing with related party transactions may be accessed on the Company's website www.filatex.com.

(vi) During the financial year ended 31st March, 2022, 28,00,000 Equity Shares of ₹ 2/- each issued to the persons belonging to Promoter Group through preferential allotment at a price of ₹ 95 (including Premium of ₹ 93 per share) amounting ₹ 26.60 Crores. Further no amounts were raised through qualified institutions placement during the financial year ended 31st March, 2022.

(vii) The Company is aware of the risks associated with the business. It has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures quarterly. It regularly analyses and takes corrective actions for managing / mitigating the same. The Company's Risk management framework ensures compliance with the provisions of Regulation 17(9) of the Listing Regulation and has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of

CAPEX; Foreign Exchange fluctuation, maintaining and enhancing customer service standards and resolving environmental and safety related issues.

(viii) During the year under review, the Company has not received any complaint under the Anti Sexual Harassment Policy.

(ix) Total fee/charge paid to the Statutory Auditors during the financial year ended 31st March 2022, ₹27.22 Lakhs (please refer Note no. 44 of Financial statement ended 31st March, 2022.)

(x) The Company has complied with all mandatory requirements set out in the Listing Regulation.

10. MEANS OF COMMUNICATION

The Company publishes its quarterly/half yearly/annual results, amongst others, in Financial Express/ The Economic Times Delhi & Mumbai edition and Gujarat Mitra (Gujarati) circulating in Dadra & Nagar Haveli where the Registered Office of the Company is situated. The same together with shareholding pattern and any other significant development/announcement is submitted to the Stock Exchanges and uploaded on the Company's website: www.filatex.com. The Company is not making any official releases and not sending half yearly report to the shareholders, as it is not a mandatory requirement.

The presentations giving an analysis of the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders regarding the financial results which are communicated to the Stock Exchanges.

Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

11. CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL

The Board has adopted a Code of Conduct for observance by Directors and Senior Management Personnel to ensure ethical conduct in performance of their duties.

The Code has been circulated to all the Directors and Senior Management Personnel and they have affirmed compliance of the same. A declaration in this regard signed by Managing Director of the Company is given at the end of this Report.

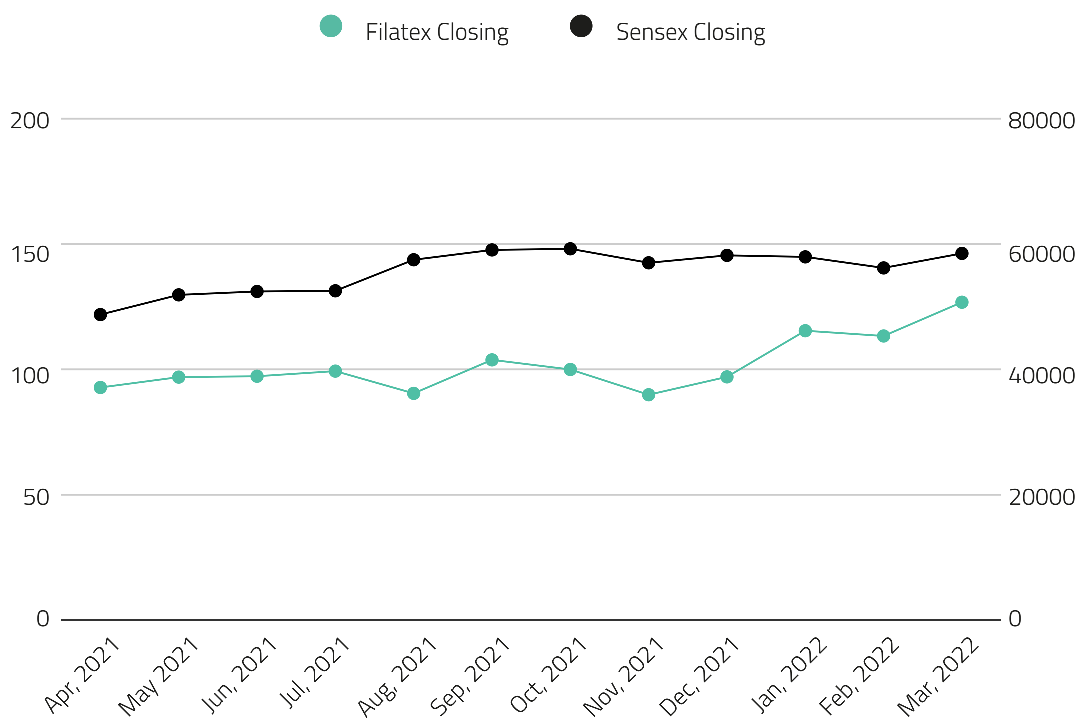
12. SHAREHOLDER'S REFERENCER

12.1 Annual General Meeting:	
- Date and Time	Please refer to AGM Notice
- Venue	Survey No. 274, Demni Road, Dadra - 396193 (U.T. of Dadra & Nagar Haveli)
12.2 Financial Calendar (tentative)	Results for the quarter ending 30-06-2022 on or before 14th August, 2022
	Results for the quarter/half year ending 30-09-2022 on or before 14th November, 2022
	Results for the quarter ending 31-12-2022 on or before 14th February, 2023
	Results for the quarter/year ending 31-03-2023 on or before 30th May, 2023
12.3 Book Closure Date :	As in the AGM Notice
12.4 Dividend Payment Date :	Dividend will be paid within 30 days of ensuing AGM
12.5. Listing of Equity Shares : on Stock Exchanges at	BSE & NSE. Annual Listing fee for the year 2022-23 has been paid to the above Stock Exchanges.
12.6 Stock Code:	
(a) Trading Symbol at	Bombay Stock Exchange Limited- 526227 National Stock Exchange of India Limited- FILATEX
(b) Present ISIN of : Equity Shares	INE816B01027

12.7 Stock Market Data:

Monthly High & Low price of the Equity Shares of the Company for the year 2021-22 based upon BSE Price data in comparison to BSE Sensex is given below:

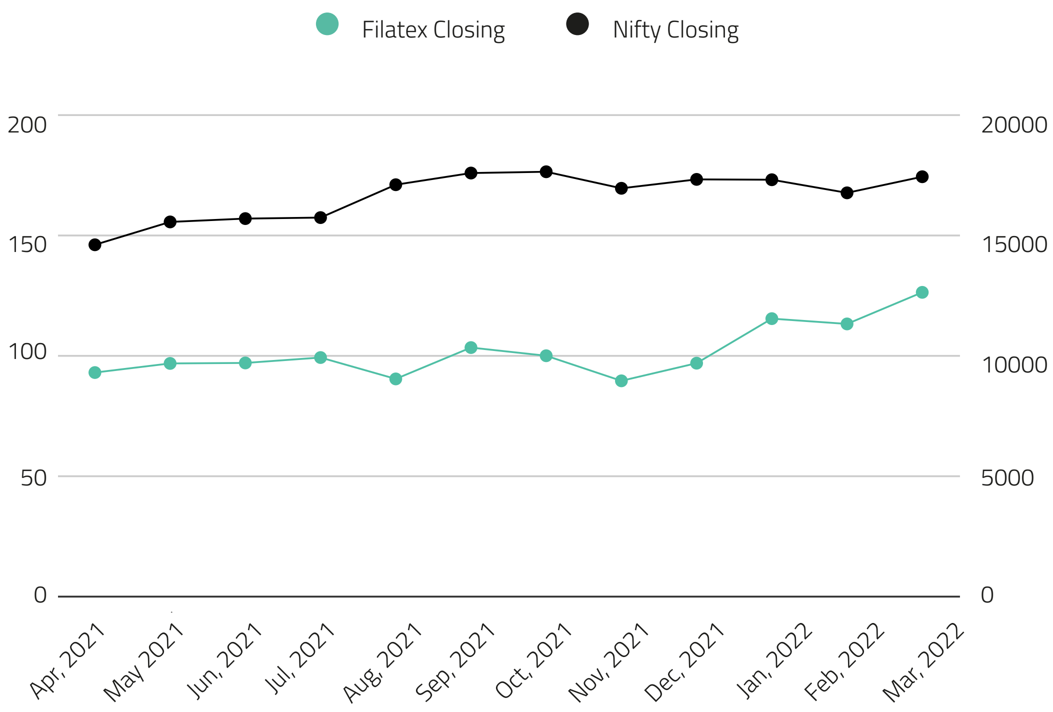
Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2021	93.85	50,376	65.10	47,205
May, 2021	114.00	52,013	86.35	48,028
June, 2021	117.75	53,127	92.20	51,451
July, 2021	114.40	53,291	96.20	51,803
August, 2021	107.90	57,625	85.35	52,804
September, 2021	118.00	60,412	82.80	57,264
October, 2021	127.50	62,245	95.50	58,551
November, 2021	111.85	61,037	86.70	56,383
December, 2021	103.90	59,203	72.50	55,133
January, 2022	142.30	61,475	96.50	56,410
February, 2022	129.80	59,619	101.15	54,383
March, 2022	134.75	58,891	103.50	52,261



Note: Sensex V/s Closing Share Price on the last trading day of the Month

₹ Monthly High & Low price of the Equity Shares of the Company for the year 2021-22 based upon NSE Price data in comparison to Nifty is given below:

Month	High		Low	
	Share Price	Nifty	Share Price	Nifty
April, 2021	94.00	15,044	66.95	14,151
May, 2021	110.90	15,606	86.10	14,416
June, 2021	118.00	15,916	92.05	15,451
July, 2021	114.45	15,962	96.25	15,513
August, 2021	107.95	17,154	86.00	15,835
September, 2021	118.15	17,948	82.00	17,055
October, 2021	127.50	18,604	95.40	17,453
November, 2021	112.05	18,210	86.75	16,782
December, 2021	104.00	17,640	72.35	16,410
January, 2022	142.80	18,351	96.55	16,837
February, 2022	129.35	17,795	101.00	16,203
March, 2022	134.85	17,560	103.35	15,671



Note: Nifty V/s Closing Share Price on the last trading day of the Month

12.8 Registrar and Transfer Agents :

All the works relating to the share registry for the shares held in the physical form as well as the shares held in the electronic form (Demat) are being done by MCS Share Transfer Agent Limited at the following address:

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area

Phase-I, New Delhi- 110020

Tel: 011-41406148

Fax: 011-41709881

Email: admin@mcsregistrars.com

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

12.9 Share Transfer System:

The Share Transfers in physical form are registered and returned to the respective shareholders within a period of 15 days from the date of receipt, subject to the documents lodged for transfer being valid in all respects. The Stakeholders' Relationship Committee meets to discuss the shareholders' grievances/ other matters .

12.10 Distribution of Shareholding according to categories of Shareholders:

S.No	Category	31st March, 2022		30th June, 2022	
		No. of Shares	% to total	No. of Shares	% to total
1.	**Promoters Holding**				
	Promoter Group	14,68,33,936	65.18	14,36,54,736	64.85
2.	**Institutional Investors**				
	Banks	505		505	--
	Foreign Institutional Investors	98,56,500	4.38	98,56,500	4.45
	Alternate Investment Funds	16,220	0.01	--	--
3.	**Others**				
	Bodies Corporate	1,30,82,932	5.81	1,31,58,438	5.94
	Indian Public	4,23,94,100	18.82	4,26,93,894	19.27
	Directors or Directors Relatives	3,93,370	0.17	4,52,161	0.20
	NRIs & FCBs	62,15,432	2.76	55,50,873	2.51
	Clearing Members	3,15,314	0.14	47,698	0.02
	Hindu Undivided Families	51,42,750	2.28	50,94,664	2.30
	IEPF	8,80,520	0.39	8,79,520	0.40
	LLP	1,08,671	0.05	92,239	0.04
	Trust	25,000	0.01	24,397	0.01
	TOTAL	**22,52,65,250**	**100**	**22,15,05,625**	**100**

Distribution of Shareholding as on 31st March, 2022 according to Size:

Range		Shareholders		Shares	
No. of Shares (Value)		Number	% to total holders	Number	% to total Capital
Upto	5000	44164	97.09	7690879	3.41
5001	10000	593	1.30	2318912	1.03
10001	20000	282	0.62	2164762	0.96
20001	30000	108	0.24	1415224	0.63
30001	40000	68	0.15	1247800	0.55
40001	50000	44	0.10	1026591	0.46
50001	100000	92	0.20	3473814	1.54
100001	and above	137	0.30	205927268	91.42
Total		**45488**	**100**	**22,52,65,250**	**100**

12.11 Dematerialization of Shares:

The shares of the Company are traded in compulsory dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Share Dematerialization record

As on 31st March, 2022, **22,48,76,650** Equity Shares were in dematerialized form which represents 99.83% of the paid up share capital.

12.12 Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity

N.A.

12.13 Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods. The Company takes forward cover in respect of its major foreign currency exposure such as for imports, repayment of borrowings & interest thereon denominated in foreign currency and export receivables. The Company at present is not dealing in commodities and therefore there is no hedging activity as of now. As and when the Company will deal in commodities, Company will make proper disclosure in the required format regarding commodity price risk and its hedging activities in terms of SEBI Circular dated 15th November, 2018.

12.14 Plant Location

1. Survey No.274, Demni Road, Dadra-396 193

(U.T. of Dadra & Nagar Haveli)

2. Plot No. D-2/6, Jolva Village

PCPIR, Dahej-2 Industrial Estate

GIDC, Distt. Bharuch

Gujarat-392130

12.15 Address for Investor Correspondence

MCS Share Transfer Agent Limited

F-65, Okhla Industrial Area, Phase-I,

New Delhi- 110020

Tel : 011-41406148

Fax : 011-41709881 Email: admin@mcsregistrars.com

Members can also contact:

The Company Secretary

Filatex India Limited

43, Community Centre,

New Friends Colony, New Delhi - 110 025

Email: shares@filatex.com

Shareholders are requested to quote their Folio Nos./DP Id/Client Id, No. of Shares held and address for prompt reply

13. DIRECTORS RETIRING BY ROTATION/ APPOINTMENT/REAPPOINTMENT OF DIRECTORS:

Details of Directors retiring by rotation and reappointment of directors at the ensuing Annual General Meeting are given in the Explanatory Statement to the Notice of the AGM.

14. CREDIT RATING:

Brickwork Ratings India Pvt. Ltd. (BWR), SEBI Registered Credit Rating Agency, revised Credit Rating for Company's Bank Loan Facilities of **₹ 1191.17 Crores**. The details of the same are as under:

Facilities	Amount (₹ Crore)	Rating
Fund based	741.17	BWR A (Stable) (Upgrade)
Non-Fund Based	450.00	BWR A1 (Upgrade)
Total	**₹1191.17** (Rupees One thousand one hundred ninety one crores and seventeen lakhs only)	

CARE Ratings Ltd, on 21st June 2022, has assigned Credit Rating in respect of Company's LongTerm Bank Facilities as under:

Facilities	Amount (₹ Crore)	Rating
Long term Bank Facilities	402.12 (Enhanced from ₹ 137.00 crore)	CARE A+; Stable (Single A Plus; Outlook: Stable)
Long Term/Short Term Bank Facilities	750.00	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus)
Total Bank Facilities	**₹1,152.12** (Rupees One Thousand One Hundred Fifty-Two Crore and Twelve-Lakhs only)	

15. A certificate has been received from M/s Siddiqui & Associates Practising Company Secretaries, that none of the Directors on the Board of the Company has 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 such statutory authority.

16. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulation, Managing Director and Chief Financial Officer of the Company have submitted a certificate certifying various covenants about financial/cash flow statements, internal controls, financial reporting etc. in respect of Accounts for the year ending 31st March, 2022 to the Board of Directors.

17. NON MANDATORY ITEMS:

The Company has not adopted any non mandatory requirements as mentioned in the Listing Regulation.

For and on behalf of the Board of Directors of
Filatex India Limited

Place : New Delhi
Date : 27th July, 2022

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

DECLARATION:

I, Madhu Sudhan Bhageria, Managing Director of the Company do hereby declare that all the Directors of the Company and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2022.

Place : New Delhi
Date : 19th July, 2022

Madhu Sudhan Bhageria
Chairman and Managing Director

Secretarial Auditors' Certificate on Corporate Governance

To the Members of Filatex India Limited

We have examined the compliance of conditions of Corporate Governance by Filatex India Limited for the year ended **31st March, 2022** as stipulated in the Chapter IV of the Securities and Exchange Board of India (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 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 the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Chapter IV of the Securities and Exchange Board of India (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 **Siddiqui & Associates**
Company Secretaries

Place : New Delhi
Date : 27th July, 2022

K. O. Siddiqui
FCS 2229; CP 1284
UDIN: F002229D000687804
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300

Certificate Of Non-Disqualification Of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Filatex India Limited
S. No. 274, Demni Road,
Dadra 396193
Dadra & Nagar Haveli

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Filatex India Limited** having **CIN L17119DN1990PLC000091** (hereinafter referred to as 'the Company'), produced before me/us 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 portal www.mca.gov.in) 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, 2022 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 such other Statutory Authority.

S. No.	Name of Directors	Designation	DIN	Date of Appointment in the Company
1.	Mr. Purrshottam Bhaggeria	Whole Time Director	00017938	30.07.2003
2.	Mr. Madhu Sudhan Bhageria	Managing Director	00021934	30.07.2003
3.	Mr. Madhav Bhageria	Whole Time Director	00021953	30.07.2003
4.	Mr. Ashok Chauhan	Whole Time Director	00253049	12.02.2014
5.	Mr. Suraj Parkash Setia	Independent Director	00255049	30.07.2003
6.	Mr. Swarup Chandra Parija	Independent Director	00363608	30.07.2003
7.	Mr. Brij Behari Tandon	Independent Director	00740511	13.02.2015
8.	Ms. Pallavi Joshi Bakhru	Independent Director	01526618	20.09.2013

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 express an opinion on these 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 **Siddiqui & Associates**
Company Secretaries

Place : New Delhi
Date : 27th July, 2022

K. O. Siddiqui
FCS 2229; CP 1284
UDIN: F002229D000687782
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300

Annexure - C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2022

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

To,
The Members,
Filatex India Limited
S. No. 274, Demni Road,
Dadra 396193
Dadra & Nagar Haveli

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Filatex India Limited** having **CIN: L17119DN1990PLC000091** (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 our opinion thereon.

Based on our verification of **Filatex India Limited'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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2022** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Filatex India Limited** for the financial year ended on **31st March 2022** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

   The Company has complied with the provisions, rules & regulations of FEMA to the extent applicable. The Company is not having any FDI & ODI during the period.

v. 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018

   d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

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

      Not Applicable to the Company for the year under review;

   f. 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;

      To the extend applicable to the Company under review;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period**

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

      and

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- The Secretarial Standards issued by the Institute of Company Secretaries of India as notified of Corporate Affairs from time to time;
- The Listing Agreements entered into by the Company with The National Stock Exchange of India Limited (NSE Limited) and The Bombay Stock Exchange Limited (BSE Limited)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Textile Committee Act 1963
- Petroleum Act, 1934 and Rules made thereunder;

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015;
2. 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 or with shorter notice and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions of the Board and Committees of Board have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period, the Company had altered its Memorandum & Article of Association of the Company whereby it had added few new Objects and restructured the Articles of Association after complying with various compliances.

for **Siddiqui & Associates**
Company Secretaries

Place : New Delhi
Date : 27th July, 2022

K. O. Siddiqui
FCS 2229; CP 1284
UDIN: F002229D000687749
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300

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

Annexure to the Secretarial Audit Report

ANNEXURE - A

To,
The Members,
Filatex India Limited
S. No. 274, Demni Road,
Dadra 396193
Dadra & Nagar Haveli

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have conducted the Secretarial Audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to nationwide lockdown to fight COVID-19, some of the documents and records mentioned above have been received via electronic means and as such, could not be verified from the original's thereof. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the company for certain areas which otherwise requires physical verification.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **Siddiqui & Associates**
Company Secretaries

Place : New Delhi
Date : 27th July, 2022

K. O. Siddiqui
FCS 2229; CP 1284
UDIN: F002229D000687749
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300

Annexure - D

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.	Details of contracts or arrangements or Transactions not at arm's length basis	Not applicable
a)	Name(s) of the related party and nature of relationship	
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

1.	Details of material contracts or arrangement or transactions at arm's length basis	Not applicable
a)	Name(s) of the related party and nature of relationship	
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

For and on behalf of the Board of Directors of
Filatex India Limited

Place : New Delhi
Date : 27th July, 2022

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

Annexure - E

REPORT ON CONSERVATION OF ENERGY AND TECHNOLOGY ABOSORPTION

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014.

A) CONSERVATION OF ENERGY

1. Energy Conservation measures taken:

Company continues to evaluate and carry out all viable options for reducing energy consumption. We have been improving efficiency through adoption of new technology and optimization of process. Some of initiatives undertaken by Company to conserve energy includes:

- **Lightings power conservation:** POY & Street lighting voltage reduced from 415V to 380V, and this has helped us achieve around 8% saving in energy consumption. All Street lights & high mast illumination converted on LED lighting. Office lights & AC has connected with motion sensors to control in auto mode.
- **Motors & LED lights:** Used super Efficiency class IE-4 induction motors to get better efficiency and 100% LED lights for power saving as well as better illumination in power plant and bright yarn section.

Mechanical – Conservation of Energy during Year-2021-22

- Two more low efficiency HTM application canned pumps replaced with high efficiency conventional centrifugal pump with motor. Energy saving is approx. 4.5% per day.

Utility – Conservation of Energy during Year-2021-22

- **L.P. Air:** Provided separate header for compressed air distribution based on end pressure requirement. Users needing 2 bar pressure have been connected to compressed generating air at 2.5 bar. Similarly, users needing pressure greater than 2.5 bar but less than 4 bar are connected to compressor generating at 4 bar. After doing all the work, energy consumption has reduced by 6,500 units per day.
- **Air Handling Units:** To reduce refrigeration load following step taken:
  - POY Quench AHU New fresh air ducts installed for the use of low WBT ambient air in winter season. (Power saving by 335 KWH/Day)
  - Process quench AHU supply air duct plenum pressure optimized keeping in view the process quality. Without affecting process, we were able to reduce 3100 KWH/ Day
  - Process Take up AHU supply air blowers' frequency optimized looking equipment's exhaust air temperatures reduced and able to reduce power consumption by 3208 KWH/day
  - Take Up Process cooling coil replaced which decreased our chilled water requirement and get better efficiency in chilled water
- **HTM:** Bright CP ES-2 primary booster pump distribution line modification done to reduce pressure drop and stopped booster pump. We are getting required flow and pressure without booster pump (Save power by 960 KWH/ Day)

2. Steps taken by the Company for utilising alternative source of energy:

Sunlight is one of our planet's most abundant, clean and freely available energy resources. The company is generating clean energy from its 1.4 MW grid-connected Solar Photovoltaic (PV) plant at rooftop.

3. The Capital investment made by the Company on energy conservation equipments during the financial year ended 31st March 2022:

₹ 43.23 Lakhs

B) TECHNOLOGY ABSORPTION

i Efforts in brief made towards technology absorption, adaptation, and innovation

- Development of new products to cater to the market requirement.
- Intermingling air system introduced to improve the quality of POY Yarn.
- Optimization / modification in process, equipments and products.

ii Benefits derived as a result of the above efforts, e.g. Product improvement, cost reduction, product development, import substitution etc.

- Optimization of manufacturing cost.
- Enhanced product portfolio by developing new products.
- Improvement in operational efficiency and quality of product.

iii In case of Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: - Not Applicable

iv Research and development:

a Specific areas in which Research and Development carried out by company

- We are developing our own technology for recycling of Polyester waste. We have set up a pilot plant process based on de-polymerization through Glycolysis process. We are carrying out trials for depolymerization and re-polymerization of PET waste and yarn waste.

b Benefits derived as a result of the above research and development

- Development of technology is in process.

c Expenditure on research & development:

- Capital : 359.69 Lakhs
- Recurring : 60.63 Lakhs
- Total : 420.32 Lakhs

C) FOREIGN EXCHANGE EARNINGS AND OUTGO (CASH BASIS):

Foreign exchange earned: ₹ 42,071 Lakhs

Foreign exchange used: ₹ 67,992 Lakhs

For and on behalf of the Board of Directors

Place : New Delhi
Date : 27th July, 2022

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

Annexure - F

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for the financial year 2021-22 (₹ In Lakhs)	% increase in Remuneration in the financial year 2021-22	Ratio of Remuneration of each Director/to median Remuneration of Employees
1	Shri Madhu Sudhan Bhageria Chairman & Managing Director	272.00	37.17%	109.68
2	Shri Purrshottam Bhaggeria Joint Managing Director	233.39	56.49%	94.11
3	Shri Madhav Bhageria Joint Managing Director & CFO	231.41	59.13%	93.31
4	Shri Ashok Chauhan Whole Time Director	38.15	33.72%	15.38
5	Shri Brij Behari Tandon Non-Executive Independent Director	#	#	#
6	Shri Swarup Chandra Parija Non-Executive Independent Director	#	#	#
7	Shri Suraj Parkash Setia Non-Executive Independent Director	#	#	#
8	Smt. Pallavi Joshi Bakhru Non-Executive Independent Director	#	#	#
9	Shri. Raman Kumar Jha Company Secretary	11.71	5.88%	N.A

The aforesaid amount does not include amount in respect of Gratuity, Leave encashment and fair value of ESOP as the same is not paid.

 # No remuneration only Sitting Fees Paid.

ii) The median remuneration of employees of the Company during the financial year was **₹ 2.48 Lakhs**.

iii) In the financial year, there was increase of **6.15%** in the median remuneration of employees.

iv) There were **2,383 permanent employees** on the rolls of Company as on 31st March 2022.

v) Average percentage increase made in the salaries of employees other than the Key Managerial personnel in the last financial year, i.e. 2021-22 was **9.28%** whereas the increase in the managerial remuneration for the same financial year was **47.75%.** The increments given to employees are based on their potential, performance and contribution, which is benchmarked against applicable Industry norms. The managerial remuneration has increased because of increase in Commission as percentage of profit which is on contractual basis as per approved terms of remuneration.

vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Details of Employees including Top ten employees pursuant to the provisions of Section 197(12) of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

S. No	Name and Designation	Remuneration in (₹ Lakhs)	Qualification	Date of Commencement of employment	Age in Years	Experiences In Years	Particulars of last Employment	% of Equity shares held
1	Mr. Madhu Sudhan Bhageria Chairman & Managing Director	272.00	B. Com (H)	30-Jul-2003	62	40	Chief Executive, Madhu Industries	8.57
2	Mr. Purrshottam Bhaggeria Joint Managing Director	233.39	MBA	30-Jul-2003	60	37	None	9.65
3	Mr. Madhav Bhageria Joint Managing Director & CFO	231.41	B.Com (H)	30-Jul-2003	58	35	None	9.73
4	Mr. Ashok Chauhan Whole Time Director	38.15	B.E (Mech), MBA	12-Feb-2014	71	49	JMD in Alchemist Group	0.11
5	Mr. Rajiv Kumar Kasturia Sr. Vice President (Marketing)	36.57	DHT - Tech	01-Feb-1994	57	34	Cosmo Synthetics Ltd.	0.11
6	Mr. Vyanu B. Vyas Chief Operating Officer	34.46	B.Tech, PGDM-Mgt & Mktg	11-Nov-2010	57	39	Aggarwal Indotex Ltd.	0.08
7	Mr. Sameer Bhupendra Vaidya General Manager (HR)	25.50	MBA- HR	01-Mar-2021	52	22	Bhilosa Ind Pvt Ltd	-
8	Mr. Sudhir Bhimrajka Chief General Manager	24.47	M.Com	01-May-1997	56	35	Kankariya Chemical Industries Limited	0.04
9	Mr. Jay Prakash Singh Assistant Vice President (Marketing)	23.85	Diploma in Electronics and tele. Com Engineering	13-Aug-1998	52	29	Rajasthan Petro Synth. Ltd	0.02
10	Mr. Sujit Manohar Garge Dy. General Manager (Instumentation)	23.72	Diploma in Industrial Electronics	24-Jul-2018	50	29	Sohar Asphalt LLC, Oman.	-

Notes:

1 The Remuneration received includes Salary, other allowances & Commission.

2 Mr. Madhu Sudhan Bhageria, Mr. Purrshottam Bhaggeria and Mr. Madhav Bhageria are only related to each other.

3 Employment of Mr. Madhu Sudhan Bhageria, Mr. Purrshottam Bhaggeria, Mr. Madhav Bhageria and Mr. Ashok Chauhan are on contractual basis.

For and on behalf of the Board of Directors of
Filatex India Limited

Place : New Delhi
Date : 27th July, 2022

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

Business Responsibility Report

The Business Responsibility Report (BRR) is one of the avenues to communicate the company's obligation and performance to all its stakeholders.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. In order to provide guidance to businesses regarding the responsible business conduct, Ministry of Corporate Affairs (MCA), Government of India, released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs).

The Company is pleased to present its Business Responsibility Report for the financial year ended 31st March 2022.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**CORPORATE IDENTITY NUMBER (CIN)**	:	L17119DN1990PLC000091
2.	**NAME OF THE COMPANY**	:	Filatex India Limited
3.	**REGISTERED ADDRESS**	:	S. No.274, Demni Road, Dadra-396193 U.T. of Dadra & Nagar Haveli
4.	**WEBSITE**	:	www.filatex.com
5.	**EMAIL ID**	:	secretarial@filatex.com
6.	**FINANCIAL YEAR REPORTED**	:	1st April 2021 to 31st March 2022

7. SECTOR(S) THAT THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE):

NIC CODE	DESCRIPTION
22201	Polyester Chips
20203	Polyester Partially Oriented Yarns (POY) Drawn Textured Yarn (DTY) Fully Drawn Yarns (FDY) Polypropylene Multifilament Crimp Yarns (PPY)
13999	Narrow Woven Fabric (NWF)

8. LIST THREE KEY PRODUCTS/SERVICES THAT THE COMPANY MANUFACTURES/PROVIDES (AS IN BALANCE SHEET):

- Polyester Partially Oriented Yarn (POY)
- Polyester Fully Drawn Yarn (FDY)
- Polyester Draw Textured Yarns (DTY)

9. TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE COMPANY:

- **Corporate Office** - New Delhi
- **Manufacturing Facilities**

  The Company has manufacturing facilities at Dahej (Gujarat) & Dadra (Union Territory of D&NH). The plant at Dahej is an integrated spinning facility with continuous polymerization.

- **Marketing Offices**

  New Delhi, Surat and Mumbai

10. MARKETS SERVED BY THE COMPANY:

The company caters mainly to Surat, Mumbai, Ahmedabad, Ludhiana, Panipat & Bhilwara markets in India and is exporting its products to more than 45 countries across 5 continents.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)

1. PAID UP CAPITAL : ₹ 4,505.31 Lakhs

2. TOTAL TURNOVER : ₹ 3,82,809.40 Lakhs

3. TOTAL PROFIT AFTER TAXES : ₹ 30,272.71 Lakhs

4. TOTAL SPENDING ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PERCENTAGE OF PROFIT AFTER TAX (%)

The Company has spent ₹217.35 lakhs on Corporate Social Responsibility (CSR) activities in FY 21-22 which amounts to 1.32% of the average profit after tax in the previous three financial years.

5. LIST OF ACTIVITIES IN WHICH EXPENDITURE IN 4 ABOVE HAS BEEN INCURRED.

The major thrust areas for our programs are:

- Primary Health Facilities
- Primary Education
- Women Self-Employment
- Swachh Bharat Abhiyan
- Promotion of sports
- Garib Kalyan Anna Yojana
- Availability of Safe Drinking Water

SECTION C: OTHER DETAILS

1. DOES THE COMPANY HAVE ANY SUBSIDIARY COMPANY/ COMPANIES?

As at 31st March 2022, the Company does not have any Direct/ Indirect subsidiaries, as defined under Section 2(87)(ii) of the Companies Act, 2013.

2. DO THE SUBSIDIARY COMPANY/COMPANIES PARTICIPATE IN THE BR INITIATIVES OF THE PARENT COMPANY? IF YES, THEN INDICATE THE NUMBER OF SUCH SUBSIDIARYCOMPANY(S).

Not Applicable

3. DO ANY OTHER ENTITY/ENTITIES (E.G. SUPPLIERS, DISTRIBUTORS ETC.) THAT THE COMPANY DOES BUSINESS WITH PARTICIPATE IN THE BR INITIATIVES OF THE COMPANY? IF YES, THEN INDICATE THE PERCENTAGE OF SUCH ENTITY/ENTITIES:

Other entities viz. suppliers, distributors etc. with whom the Company does business, did not participate in the Business Responsibility initiatives of the Company during the year.

SECTION D: BR INFORMATION

1. DETAILS OF DIRECTOR/ DIRECTORS RESPONSIBLE FOR BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

The Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors is responsible for implementation of BR policies of the company. The members of CSR Committee are:

S. No.	Name of Directors	Designation
1	Mr. Madhu Sudhan Bhageria	Chairman
2	Mr. Purrshottam Bhaggeria	Member
3	Mr. Madhav Bhageria	Member
4	Mr. Brij Behari Tandon	Member
5	Mrs. Pallavi Joshi Bakhru	Member

b) Details of the BR Head:

Sr.	Particulars	Details
1	DIN Number	00021934
2	Name	Mr. Madhu Sudhan Bhageria
3	Designation	Chairman & Managing Director
4	Telephone Number	011-26312503
5	E mail Id	msbhageria@filatex.com

2. PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of Compliance (Reply Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/Policies for ...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the Policy been formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does policy conform to any national /international standards (A)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy been approved by the board? If yes has it been signed by MD/ CEO/ appropriate Board Director? (B)	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee implementation of the policy? (B)	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	All relevant policies are uploaded on the internet site for information as well as implement by internal stakeholders. Further, policies on the Code of Conduct, CSR policy, Vigil policy, Quality Environment Health and Safety policy are also available on the website.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders? (C)	Y	Y	Y	Y	Y	Y	-	Y	Y

8	Does the Company have in house structure to implement the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required by the senior management.								

- All policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry. These are formulated and aligned to applicable legal and regulatory requirements, and guidelines, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its internal mandates.
- All policies are administered under the overall supervision of the Management of the Company
- Link to Companies Policies: http://www.filatex.com/code-policies/

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why :

Principle	Response
Principle 7: Policy Advocacy	Filatex is a member of various industrial and trade bodies and plays a key role in advocating issues of the sector through them. It actively participates in industry forums and is also involved in supporting formulation of relevant policies. Though the organization does not have a stated policy on advocacy currently, it continues to follow and monitor the business and regulatory environment closely.

3. GOVERNANCE RELATED TO BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year –**

  The CSR Committee and the Board of Directors annually assess the Company's BR performance.

- **Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**

  Effective from FY19-20, the Company is preparing and publishing a Business Responsibility Report annually and the same is available on the website of the Company at www.filatex.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

The Company's conduct is governed by its core values and beliefs with strict adherence to fair and transparent business practices including greater emphasis of personal dignity and ethics. These value and beliefs, a way of life in the organization, have been seamlessly integrated into its culture.

1. Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?

The code of conduct serves as a guiding policy to all the employees of the company across all levels and grades. The Company's code of conduct is also applicable to all external stakeholders, suppliers, contractors etc., the company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the company. The code is available on the Company's website: http://www.filatex.com/code-policies/. Additionally, as part of HR policy, the Company has framed/circulated policies which deal with (i) Ethics at workplace; and (ii) restraining giving and receiving of gifts and other benefits during business relationship etc. These policies are applicable to the employees at all levels.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints were received during the financial year. Additionally, on an ongoing basis, the complaints/ grievances/ views, if any, received from employees and other stakeholders, are dealt by respective functions within the Company.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGH OUT THEIR LIFE CYCLE

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

The Company has been focusing on developing products that are environment friendly, utilizing waste product from both internal and external sources, reducing carbon footprint and becoming more energy efficient.

The Company also sources renewable power from its captive rooftop solar power plant of 1.0 MW at Dahej and 0.915 MW at Dadra.

Details of conservation of energy are given in Annexure - E of the Directors Report.

2. Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?

The Company strives to integrate social, ethical and environmental factors across the entire supply chain.

3. Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors.

The Company is procuring a significant part of its packing material and spare and consumables from local/indigenous suppliers. The Company also extensively works with domestic suppliers to develop vendors' capabilities for import substitution on ongoing basis.

4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste. (Separately as 10%). Also, provide details thereof, in about 50 words or so.

The Company is in the process of developing a chemical recycling technology for regeneration of polymer from its yarn waste as well as plastic bottle waste.

The Company also recycles its packaging materials, paper tubes and wooden pallets. Packaging material is also collected from customers for recycling & reuse.

In addition to that, to protect the environment, the company is using a **Composite Food Waste Machine** which produces fertilizer from the canteen food waste and the same is used for developing and maintaining green belt areas outside and inside the company premises.

Overall, the Company operates on a Zero Discharge policy.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. Please indicate the total number of employees:

2383 permanent employees as on 31st March 2022

2. Please indicate the total number of employees hired on temporary/contractual/casual/training basis:

2057 employees as on 31st March 2022

3. Please indicate the number of permanent women employees:

15 women employees as on31st March 2022

4. Please indicate number of permanent employees with disabilities:

0 employee as on 31st March 2022

5. Do you have employee association that is recognized by management?

No

6.What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending as on the end of the financial year.

No cases of child labor forced labor, involuntary labor, sexual harassment, and discriminatory employment were reported in the last financial year.

The Company has in place the Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, which ensures a free and fair enquiry process with clear timelines. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. Further, the Company has an Internal Complaints Committee where employees can register their complaints against sexual harassment.

8. What percentage of your above-mentioned employees were given safety and skill up-gradation training in the last year?

80% of employees were given safety and skill up-gradation training in the last year.

The Company organizes various training sessions in-house to facilitate skill upgradation for handling relevant functions, basic fire, and safety training. These training are attended by a majority of the employees. Training against Covid-19 spread were also carried out regularly across all company locations.

The company conducts a safety meeting on a weekly basis with plant heads and section heads to review and discuss safety measures for a safe working culture and ZERO risk operations.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

The Company aims to meet the expectations of its stakeholders that include shareholders, consumers, employees, suppliers, and various service providers. The Company understands the needs of its stakeholders and develops action plans to fulfill them while achieving its business goals. The Company also has in place an investor grievance redressal system, a consumer complaint redressal system, and various other committees to protect the interest of all the stakeholders. It discloses all the relevant information about its products, business, financial performance, and other statutory information on the website of the Company to ensure effective stakeholder engagement.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

As per our understanding and knowledge, there are no disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof
Not Applicable

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/NGOs/Others?
The Company firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Works Committee, Anti - Sexual Harassment Policy, Labor, and Employee Welfare Policies.

Code of Business Conduct extends not only to employees of the Company but also others who work with or represent the Company directly or indirectly. The Company's Anti-Sexual Harassment Policy is applicable to all the employees including contractual and covers trainees, consultants, contractors, and vendors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?
During the financial year 2021-22, the Company did not receive any complaint regarding violation of human rights.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

The Company understands its responsibility towards the environment and has taken various initiatives to reduce its environmental impact.

1. Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOS/Others?
The Policy relating to respecting, protecting and restoring the Environment covers the Company only. However, the Company encourages its suppliers, business partners and third parties with whom it conducts business to abide by this Policy.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
The Company is sourcing renewable power from its captive rooftop solar power plant of 1.0 MW at Dahej and 0.915 MW at Dadra.

The Company also conducts special drives for tree plantation near the plant premises to reduce carbon footprint and address environmental issues.

The Company is continuously implementing process improvements to reduce emissions and wastes.

3. Does the company identify and assess potential environmental risks? Y/N
Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Practices. The Company follows sound environmental management practices at its manufacturing unit to assess and address potential environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
While the Company has so far, no project related to Clean Development Mechanism, it is continuously endeavoring to identify opportunities to contribute in this regard.

5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.
The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment.

The Company continues to evaluate and carry out all viable options for reducing energy consumption. The details of initiatives taken for conservation of energy are given in Annexure - E to the Directors' Report and the same is available on the website of the Company.

6. Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?
Yes, all applicable statutory requirements with respect to emissions/ waste are compiled with and emission/waste generated by the company are within the permissible limit given by GPCB. The Company also shares an Environmental Clearance Compliance report every six months to the concerned authorities.

7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.
None

PRINCIPLE7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.
The Company is a member of the following:

- PHD chamber of Commerce & Industry
- South Gujarat Chamber of Commerce
- PTA Users Association
- Dahej Industrial Association
- Dadra Industrial Association
- Silvassa Industrial Manufacture Association
- Silvassa federation associations
- Bharuch District Management Association (CSR Forum)

2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas
The Company has been active in various business associations and supports/advocates on various issues for better customer experience.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and through its core business. The Company acknowledges the impact of its activities on social and economic development and strives to create positive environment.

1. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8?

The Company executes its CSR initiatives through various programs/initiatives, the details of which are given in Annexure - A to the Directors' Report and the same is available on the website of the Company.

The Company is providing initiative for local employment as well as local vendors to the extent possible,

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?

The CSR Committee of the Board of Directors undertake CSR projects, through an in-house team.

3. Have you done any impact assessment of your initiative?

The Company is in the process of establishing suitable framework to capture the impact (social/ economic and developmental) of its initiatives. Our team regularly visit nearby villages and takes feedback from various beneficiaries.

4. What is Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

The total amount spending on CSR activities and projects during the F.Y. 21-22 was ₹ 217.35 Lakhs. The major thrust areas for our programs are:

- Primary Health Facilities
- Primary Education
- Women Self-Employment
- Swachh Bharat Abhiyan
- Promotion of sports
- Garib Kalyan Anna Yojna
- Availability of Safe Drinking Water

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the Company works towards ensuring successful implementation of community development initiatives. The Company facilitates in supporting community members by community development management for disaster relief, making best efforts to complement and support the priorities at local levels, and assuring appropriate aid to communities who seek disaster relief.

PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

There are no material customer complaints / consumer cases outstanding as at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Polyester Division products being industrial products do not require any mandated display of product information. Nevertheless, all basic product information is displayed on the product packaging. Product quality certificate containing all necessary specifications are provided to customers.

3. Is there any case filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of financial year. If so, provide details thereof, in about 50 words or so.

No material case has been filed by any stakeholder against the Company.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

As part of the customer complaint handling process, the Company carries out studies from time to time on customer satisfaction on monthly basis against certain defined attributes. Results are shared with the stakeholders for necessary action to improve the process.

Independent Auditor's Report

To The Members Of

FILATEX INDIA LIMITED

Report on the Audit of Financial Statements

OPINION

We have audited the accompanying financial Statements of Filatex India Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive Income, changes in equity and 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 section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors Response
1	**Litigation, claims and other contingencies** (As described in note No. 42 A of the Ind AS financial statements) As of March 31, 2022, the Company has disclosed contingent liabilities of ₹ 5,779.11 lakhs relating to tax and legal claims. Taxation and litigation exposures have been identified as a key audit matter due to the large number of complex tax and legal claims across the Company. Due to complexity of cases, time scales for resolution and need to negotiate with various authorities, there is significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the Ind AS financial statements. Accordingly, claims, litigations, and contingent liabilities was determined to be a key audit matter in our audit of the Ind AS financial statement. Also refer to Note No. 55(7) of Ind AS financial statements as on March 31, 2022, Income Tax Department had Conducted Search Under Section 132 of the Income Tax Act, 1961 at the Business premises of the Company on September 01, 2021. As on the date of releasing these Financial Statements, the Company has not received any communication from the Income-tax department. However the Company may be liable to pay any tax Demand if any, which is uncertain as on date.	**Principal Audit Procedures** ▪ Gained an understanding of the process of identification of claims, litigations, and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. ▪ Obtained the Company's legal and tax cases summary and critically assessed management's position through discussions with the legal head, tax head and Company management, on both the probability of success in significant cases, and the magnitude of any potential loss. ▪ Obtained opinion, where appropriate, from relevant third-party legal counsel and conducted discussions with them regarding material cases. Evaluated the objectivity, independence, competence and relevant experience of third party legal counsel. ▪ Inspected external legal opinions, where appropriate and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. ▪ Checked the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.

2	Allowance for Inventories	Principal Audit Procedures
	The Company holds significant inventories and records allowance for identified obsolete inventories. As at March 31, 2022, the Company's inventories amounted to ₹ 37,569.35 lakhs representing 18.57% of the Company's total assets. Refer Note No. 10 of financial statements. At the end of each reporting period, management assesses whether there is any objective evidence that certain inventories, which are stated at cost, are above their net realizable value. If so, these inventories are written down to their net realizable value. Assessing the net realizable value is an area of significant judgment with specific consideration to slow moving and obsolete inventory and hence considered to be a Key Audit Matter. Management undertakes the following procedures for determining the level of write down required. ▪ Specific identification procedures are performed periodically by the management to ascertain the slow moving, non-moving or obsolete inventories. ▪ Adequate allowance is created for non-moving and slow-moving inventories basis market realizable value and need of incremental re-processing cost.	Our audit procedures to assess allowance for inventories included the following: ▪ We checked the management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is reasonable and consistently applied. ▪ We checked that the allowance for slow-moving, non-moving and obsolete inventories is appropriately computed basis the underlying working/supporting. ▪ We compared the actual utilization/liquidation of inventories to the status of inventories previously assessed as per specific identification method. ▪ We also checked inventory aging and inquiries for non-moving inventories which are not considered for inventory provisioning.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above-mentioned report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note-42A and Note No. 55 (7) to the financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. (a) The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

   (b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R N MARWAH & Co LLP
Chartered Accountants
Firm Registration No.: 001211N/N500019

SUNIL NARWAL
Partner
Membership No.: 511190

UDIN: 22511190AJTMCF5919

Place: New Delhi
Date: May 27, 2022

For ARUN K GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 000605N

SACHIN KUMAR
Partner
Membership No.: 503204

UDIN: 22503204AJTLMD7479

Place: New Delhi
Date: May 27, 2022

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Filatex India Limited of even date)

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

We have audited the internal financial controls over financial reporting of Filatex India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting an¬¬d their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

For R N MARWAH & Co LLP
Chartered Accountants
Firm Registration No.: 001211N/N500019

SUNIL NARWAL
Partner
Membership No.: 511190

UDIN: 22511190AJTMCF5919

Place: New Delhi
Date: May 27, 2022

For ARUN K GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 000605N

SACHIN KUMAR
Partner
Membership No.: 503204

UDIN: 22503204AJTLMD7479

Place: New Delhi
Date: May 27, 2022

Annexure-B to Independent Auditors' Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Filatex India Limited of even date)

i. In respect of the Company's Property, Plant and Equipments and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipments by which all property, plant and equipments are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipments were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except mentioned in table below. In respect of immovable properties of land and building that have been taken on lease and disclosed as Right of Use Assets in the financial statements, the lease agreements are in the name of the Company. (Original title deeds of immovable properties are mortgaged with the Banks.)

Description of property	Gross carrying value (₹ In lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the company also indicate if in dispute
Freehold Land Survey no. 45/1 Damini Road- Dadra	21.94	Manjula Ben Nirbhay Singh Rajput	No	29-01-2020	The possession and original agreement to sell of the land is in the name of the Company. Further, title deeds will be registered in the name of the Company once state Government policy on registry is changed.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipments (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/ delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. During the year, the Company has made investments in Mutual Funds. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties.

(a) During the year, the Company has not provided loans or advances in the nature of loans or stood guarantee or provided security to any other entity.

(b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company has not granted any loans and advances in the nature of loans. Hence reporting under clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.

v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Sr. No	Name of the Statute	Nature of Dues	Amt (₹ in lakhs)	Period to Which it relates	Forum where Dispute is pending
1.	Central Excise Act, 1944.	Service Tax Credit before starting of production	51.08	F.Y 2011-12	CESTAT, Ahmedabad
2.	Central Excise Act, 1944.	Credit of Service Tax availed on courier service.	0.21	F.Y's 2005-06 & 206-07	The Asst. Commissioner of Central Excise, Silvassa.
3.	Central Excise Act, 1944.	Demand of Service Tax credit availed on Sales Commission for the years 2009-10 & 2010-11	15.31	F.Y's 2009-10 & 2010-11	The Addl. Commissioner, Central Excise, Customs & Service Tax, Vapi
4.	Central Excise Act, 1944.	Demand of Ex. duty on Polyester FDY Yarn transferred to NWF on transaction value instead of CAS-04 for the period from April-2009 to April-2012	32.99	From April, 2009 to April, 2012	Commissioner (Appeals) C.E. , Vapi
5.	Customs Act, 1962.	Differential duty on import of chips	14.54	December, 2007	Asst. Commissioner of Customs, Group II, C&D, JNCH, Navi Mumbai.
6.	Customs Act, 1962.	Co-Party made with a customer for discrepancies in compliance of export obligation by customer.	15.00	April, 2007	CESTAT, Western Zone, Ahmedabad.
7.	Customs Act, 1962.	Fraudulent availment of DEPB credit by M/s Shivam Overseas, Ludhiana by resorting to overvaluation of their exported goods	8.64	March, 2005	The Commissioner of Customs (EP), New Custom House, Ballard Estate, Mumbai

8.	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period April 2011 to December 2014.	20.10	April, 2011 to December, 2014	The Additional Commissioner, Central excise ,Custom& Service Tax , Div I Vapi.
9.	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period January 2015 to November 2015.	3.58	January, 2015 to November, 2015	The Assistant Commissioner, Central excise ,Custom& Service Tax , Div Silvassa.
10.	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period April 2010 to February 2016	44.10	April, 2010 to February, 2016	The Superinendent, Central Ex & Custom, Range-III,Division - V , Bharuch
11.	Central Excise Act, 1944	Excise Rebate claim sale Invoice no. 2039ARE no.8/2014-15	3.09	For the period 2014-15	The Joint Commissioner, Central Excise,Q33 Raigarh
12.	Central Excise Act, 1944	Demand of C. Ex. duty on clearance of Narrow Woven Fabrics	289.76	For the period from August, 2015 to June, 2017	The Commissioner CGST & Central Excise Daman
13.	Central Goods and Service tax Act, 2017	Alleged issuance of bills vendors/ Traders to Filatex without any physical movement of goods	57.95	from December, 2017 to January, 2018	Commissioner Appeals State GST Vadodara
14.	Income Tax Act, 1961	Income Tax demanding income tax and interest in respect of additions/ disallowances	4445.20	AY 2016-17	Commissioner of Income Tax (Appeals) New Delhi
15.	Central Goods and Service tax Act, 2017	Inverted duty Refunds against ITC	2340.87	From May, 2018 Februaury 04, 2022	Gujarat High Court Ahmedabad
16.	Custom Act, 1962	Non Payment of Custom Duty in the form of IGST	3699.03	2016-17 to 2018-19	Gujarat High Court Ahmedabad

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2022. Accordingly, clause 3(ix)(f) is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of section 42 and section 62 of the Companies Act, 2013. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information & explanations provided to us, the Company does not have any CIC as part of its group. Hence reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount to a Special fund account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For R N MARWAH & Co LLP
Chartered Accountants
Firm Registration No.: 001211N/N500019

SUNIL NARWAL
Partner
Membership No.: 511190

UDIN: 22511190AJTMCF5919

Place: New Delhi
Date: May 27, 2022

For ARUN K GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 000605N

SACHIN KUMAR
Partner
Membership No.: 503204

UDIN: 22503204AJTLMD7479

Place: New Delhi
Date: May 27, 2022

Balance Sheet
AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non - Current Assets			
Property, Plant and Equipments	3	1,20,759.37	1,09,437.10
Capital work in progress	3A	4,142.73	13,013.83
Right of Use Assets	4	3,938.42	3,977.39
Other Intangible assets	5	65.15	80.97
Intangible Assets under Development	5	24.50	-
Financial Assets			
Investments	6	-	4.54
Other Financial Assets	7	101.67	110.68
Income Tax Assets (net)	8	19.73	92.32
Other non-current assets	9	1,365.99	748.08
Total Non Current Assets		**1,30,417.56**	**1,27,464.91**
Current Assets			
Inventories	10	37,569.35	25,441.82
Financial Assets			
Trade receivables	11	14,505.33	12,163.89
Cash & Cash Equivalents	12	90.00	1,152.79
Bank balances (other than cash and cash equivalents)	13	2,793.45	2,456.25
Loans	14	47.22	42.40
Other Financial assets	15	2,174.71	1,084.75
Income Tax Assets (net)	16	324.34	36.71
Other current assets	17	14,407.39	10,076.44
Total Current Assets		**71,911.79**	**52,455.05**
Assets classified as held for sale	18	-	715.44
Total Assets		**2,02,329.35**	**1,80,635.40**
EQUITY & LIABILITIES			
EQUITY			
Equity Share Capital	19	4,505.31	4,416.36
Other Equity	20	1,04,040.53	71,830.24
Total Equity		**1,08,545.84**	**76,246.60**

Balance Sheet
AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	21	30,368.42	53,599.78
Lease Liabilities	22	152.40	186.97
Other financial liabilities	23	255.58	396.76
Provisions	24	895.89	776.31
Deferred tax liabilities (Net)	25	14,548.41	7,175.33
Other non-current liabilities	26	2,350.48	2,475.35
Total Non Current Liabilities		**48,571.18**	**64,610.50**
Current Liabilities			
Financial Liabilities			
Borrowings	27	5,280.34	5,009.37
Lease Liabilities	28	34.57	26.53
Trade Payables			
Total Outstanding Dues of Micro and Small Enterprises	29	949.75	878.61
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	29	30,805.34	26,545.55
Other financial liabilities	30	6,684.39	5,651.30
Other current liabilities	31	1,006.60	719.85
Provisions	32	451.34	351.09
Total Current Liabilities		**45,212.33**	**39,182.30**
Liabilities directly associated with assets classified as held for sale	33	-	596.00
Total Equity and Liabilities		**2,02,329.35**	**1,80,635.40**
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 ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

SACHIN KUMAR
Partner
Membership No. 503204

for R.N. MARWAH & CO LLP
Firm Registration No. 001211N/
N500019
Chartered Accountants

SUNIL NARWAL
Partner
Membership No. 511190

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date : May 27, 2022

Statement of Profit And Loss
FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Income:			
Revenue from operations	34	3,82,809.40	2,22,715.29
Other Income	35	2,523.06	945.45
Total Income (I)		**3,85,332.46**	**2,23,660.74**
Expenses:			
Cost of materials consumed	36	2,86,041.11	1,56,613.70
Purchases of stock-in-trade		3,358.63	3,618.51
Changes in Inventories of finished goods, stock in trade & work in progress	37	(3,714.04)	(2,411.32)
Employee benefits expense	38	8,586.71	6,713.91
Finance cost	39	3,600.10	5,880.99
Depreciation & amortization expense	3,3A,4 & 5	6,338.06	5,836.01
Other Expenses	40	35,427.03	23,445.88
Total Expenses (II)		**3,39,637.60**	**1,99,697.68**
Profit/(loss) before exceptional items & tax (I-II)		**45,694.86**	**23,963.06**
Exceptional Items [Profit/(Loss)] (refer note 59)		164.09	-
Profit/(loss) before tax		**45,858.95**	**23,963.06**
Tax Expense:			
Current tax	25	14,010.63	6,138.08
Deferred tax	25	1,575.61	1,241.66
Total tax expense		**15,586.24**	**7,379.74**
Net profit/(loss) after tax		**30,272.71**	**16,583.32**
Other Comprehensive Income/ (loss)			
A (i) Items to be reclassified to profit or loss		-	-
(ii) Income tax relating to items to be reclassified to profit or loss		-	-
B (i)Items not to be reclassified to profit or loss			
Re-measurement of defined benefit plans		(40.49)	39.37

Statement of Profit And Loss
FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(ii) Income tax relating to items not to be reclassified to profit or loss		10.19	(9.91)
Total Comprehensive Income/ (Loss)		**30,242.41**	**16,612.78**
Earnings Per Share (EPS) in Rupees (Face value of ₹ 2/- per share)			
-Basic	41	13.53	7.51
-Diluted	41	13.48	7.47
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 and on behalf of the Board of Directors of
Filatex India Limited

for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

for R.N. MARWAH & CO LLP
Firm Registration No. 001211N/N500019
Chartered Accountants

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

SACHIN KUMAR
Partner
Membership No. 503204

SUNIL NARWAL
Partner
Membership No. 511190

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date : May 27, 2022

Statement of Changes in Equity
AS AT MARCH 31, 2022

A. EQUITY SHARE CAPITAL (REFER NOTE-19)

(₹ in Lakhs)

Equity shares of ₹ 2/- per share (previous year ₹ 2/- per share) issued, subscribed and fully paid	Number of Shares	Amount
As at March 31, 2020	**21,96,85,000**	**4,393.70**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 01, 2020	**21,96,85,000**	**4,393.70**
Shares issued on exercise of employee stock options during the year	11,33,000	22.66
As at March 31, 2021	**22,08,18,000**	**4,416.36**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 01, 2021	**22,08,18,000**	**4,416.36**
Shares issued on exercise of employee stock options during the year	16,47,250	32.95
Shares issued under Preferential allotment during the year	28,00,000	56.00
As at March 31, 2022	**22,52,65,250**	**4,505.31**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share application money pending allotment	Reserve and Surplus						Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Share based option outstanding	Retained Earnings	
Balance as at March 31, 2020	**79.53**	**1,253.11**	**1,250.00**	**9,852.29**	**396.06**	**125.63**	**42,138.03**	**55,094.65**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2020	**79.53**	**1,253.11**	**1,250.00**	**9,852.29**	**396.06**	**125.63**	**42,138.03**	**55,094.65**
Profit for the Year	-	-	-	-	-	-	16,583.32	16,583.32
Share based compensation to employees	-	-	-	-	-	83.11	-	83.11
Shares issued on exercise of employee stock options	(83.84)	-	-	61.18	-	-	-	(22.66)
Transfer to general reserve on exercise of stock options	-	-	-	-	22.79	(22.79)	-	-
Subscription to stock option scheme	62.36	-	-	-	-	-	-	62.36

Statement of Changes in Equity
AS AT MARCH 31, 2022

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share application money pending allotment	Reserve and Surplus						Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Share based option outstanding	Retained Earnings	
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	-	29.46	29.46
Total Comprehensive Income for the year	**(21.48)**	**-**	**-**	**61.18**	**22.79**	**60.32**	**16,612.78**	**16,735.59**
Balance as at March 31, 2021	**58.05**	**1,253.11**	**1,250.00**	**9,913.47**	**418.85**	**185.95**	**58,750.81**	**71,830.24**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2021	**58.05**	**1,253.11**	**1,250.00**	**9,913.47**	**418.85**	**185.95**	**58,750.81**	**71,830.24**
Profit for the Year	-	-	-	-	-	-	30,272.71	30,272.71
Dividend Paid (Final)	-	-	-	-	-	-	(889.86)	(889.86)
Share Issue/ Buyback Expenses							(9.39)	(9.39)
Share based compensation to employees	-	-	-	-	-	51.45	-	51.45
Shares issued on exercise of employee stock options	(302.66)	-	-	269.72	-	-	-	(32.94)
Shares issued under Preferential Allotment	-	-	-	2,604.00	-	-	-	2,604.00
Transfer to general reserve on exercise of stock options	-	-	-	-	127.76	(127.76)	-	-
Subscription to stock option scheme	244.61	-	-	-	-	-	-	244.61

Statement of Changes in Equity
AS AT MARCH 31, 2022

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share application money pending allotment	Reserve and Surplus						Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Share based option outstanding	Retained Earnings	
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	-	(30.29)	(30.29)
Total Comprehensive Income for the year	**(58.05)**	**-**	**-**	**2,873.72**	**127.76**	**(76.31)**	**29,343.17**	**32,210.29**
Balance as at March 31, 2022	**-**	**1,253.11**	**1,250.00**	**12,787.19**	**546.61**	**109.64**	**88,093.98**	**1,04,040.53**

i) Refer note 20 for nature and purpose of reserves

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

As per our report of even date

For and on behalf of the Board of Directors of **Filatex India Limited**

for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

SACHIN KUMAR
Partner
Membership No. 503204

for R.N. MARWAH & CO LLP
Firm Registration No. 001211N/N500019
Chartered Accountants

SUNIL NARWAL
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MADHU SUDHAN BHAGERIA
Chairman & Managing Director
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Joint Managing Director
DIN: 00017938

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date : May 27, 2022

Statement of Cash Flow
FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash flow from operating activities		
Net profit / (loss) before tax	45,858.95	23,963.06
Adjustments for:		
Depreciation/amortization	6,338.06	5,836.01
Loss/(profit) on Property, Plant & Equipment sold/discarded (net)	(21.21)	(17.34)
Employee Stock Option expense	51.45	83.11
Remeasurement of Employee Benefit Expenses	(40.49)	39.37
Unrealised Foreign exchange Loss/ (profit) (net)	(289.23)	801.90
Unrealised Marked to Market (Gain)/Loss	64.84	172.26
Provisions/liabilities no longer required, written back (net)	(26.41)	(62.65)
Processing Fees on Long term Loans	450.26	467.60
Exceptional Items (Profit on sale of land)	(164.09)	-
Provision for Doubtful Debts	5.00	-
Bad Debts Written off	-	101.89
Government Grant	(124.87)	-
Interest expense	1,531.51	2,639.54
Interest income	(555.39)	(246.62)
Dividend income	(97.52)	(138.69)
Operating profit before working capital changes	**52,980.86**	**33,639.44**
Movements in working capital :		
Decrease/ (increase) in trade receivables	(2,294.48)	(360.60)
Decrease/ (increase) loans and advances/other current assets	(5,168.21)	(1,992.31)
Decrease/ (increase) in inventories	(12,127.53)	(8,268.21)
Increase / (decrease) in trade & other payable / provisions	5,448.53	11,237.86
Cash generated from operations	**38,839.17**	**34,256.18**
Direct taxes paid (net of refunds)	(8,418.01)	(4,120.58)
Net cash flow from operating activities (a)	**30,421.16**	**30,135.60**
Cash flow from investing activities		
Purchase of Property, Plant & Equipment (Including Capital Advances & CWIP)	(9,167.59)	(12,180.34)
Proceeds from sale of Property, Plant & Equipment (Including advances received)	422.29	644.36
Purchase of Investment	-	(1.26)
Sale of Investment	4.54	-
(Increase)/Decrease in deposits	(194.59)	(643.36)
Interest received	264.38	766.83

Statement of Cash Flow
FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Dividend received	97.52	138.69
Net cash flow from/(used in) investing activities (b)	**(8,573.45)**	**(11,275.08)**
Cash flow from financing activities		
Proceeds from exercise of Share option (including share application money)	2,904.62	62.36
Proceeds from long-term borrowings from banks	2,080.17	12,400.40
Repayment of long term borrowings to Banks	(20,649.70)	(18,067.74)
Repayment of long term borrowings to others	(3,658.00)	(4,506.43)
Net Proceeds/(repayment) from/of short-term borrowings	(906.36)	(4,483.89)
Dividend Paid	(889.86)	-
Share issue/buyback expenses	(9.39)	-
Payment of Lease Liabilities	(47.88)	(47.88)
Interest paid	(1,734.10)	(3,377.03)
Net cash flow from/(used in) financing activities (c)	**(22,910.50)**	**(18,020.21)**
Net increase/(decrease) in cash and cash equivalents (a + b + c)	**(1,062.79)**	**840.31**
Cash and cash equivalents at the beginning of the year	1,152.79	312.48
Cash and cash equivalents at the end of the year	**90.00**	**1,152.79**
Components of cash and cash equivalents		
Cash on hand	7.00	10.08
Balance with scheduled Banks :		
- on Current account ^	83.00	1,142.71
- on deposit account	2,680.95	2,456.25
Cash and Bank Balances	**2,770.95**	**3,609.04**
Less: Fixed Deposits not considered as cash and cash equivalents		
- Deposits pledged with banks	2,680.95	2,456.25
Cash & Cash Equivalents	**90.00**	**1,152.79**

^ Includes ₹ NIL (previous year ₹ 58.05 Lakhs) that are not available for use by the Company as they represent Share application money including tax received against ESOS.

The accompanying notes are an integral part of financial statement.

As per our report of even date

For and on behalf of the Board of Directors of
Filatex India Limited

for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

for R.N. MARWAH & CO LLP
Firm Registration No. 001211N/N500019
Chartered Accountants

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

SACHIN KUMAR
Partner
Membership No. 503204

SUNIL NARWAL
Partner
Membership No. 511190

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date : May 27, 2022

Notes to the financial statements
FOR THE YEAR ENDED 31 MARCH 2022

1 CORPORATE INFORMATION

Filatex India Ltd. ('The Company') is a Public Limited Company incorporated in India. The address of its Registered Office is S.No. 274, Demni Road, Dadra - 396191 (U.T of Dadra & Nagar Haveli) and Corporate office is 43, Community Centre, New Friends Colony, New Delhi - 110025, India. The main business of the Company is manufacturer of Polyester Chips, Polyester/ Nylon/Polypropylene Multi & Mono Filament Yarn and Narrow Fabrics. The Company is listed on Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) of India Limited.

The financial statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 27, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Statement of compliance with Ind AS:

These financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under 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), as are applicable.

b) Basis of measurement

These financial statements are prepared under the historical cost convention except for the following material items that have been measured at fair value as required by relevant Ind AS :

- certain financial assets (including derivative financial instruments) that are measured at fair value;
- share based payments;
- defined benefit plans - plan assets measured at fair value;
- certain property, plant and equipment measured at fair value (viz leasehold land and freehold land) which has been considered as deemed cost.

The fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value measurement:

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. 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

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

Where required/appropriate, external valuers are involved.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy established by Ind AS 113, that categorises into three levels, the inputs to valuation techniques used to measure fair value. These are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are 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 are unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

c) Current non-current classification:
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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

d) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

e) Rounding of amounts:
All amounts disclosed in the financial statements and notes are in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the recognition and measurement principles of the Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements, and the reported amounts of revenues, expenses and the results of operations during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an "ongoing basis". Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2.3 REVENUE RECOGNITION

Sale of goods
Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Revenue (other than sale)
Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Insurance Claims
Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Export benefits/incentives constituting Duty Draw back, incentives under FPS/FMS/MEIS/RoDTEP and duty free advance license scheme are accounted for on accrual basis where there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received.

Interest Income
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

Dividend
Dividend income is recognized when the Company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

2.4 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised 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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of an item of property, plant and equipment comprises –

i. its purchase price, including import duties and non – refundable purchase taxes (net of duty/ tax credit availed), after deducting trade discounts and rebates.

ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii. borrowing cost directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost.

iv. the costs of dismantling, removing the item and restoring the site on which it is located.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, related pre-operational expenses and for qualifying assets applicable borrowing costs to be capitalised in accordance with the Company's accounting policy. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not directly related to the project nor are incidental thereto, are expensed.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other items of PPE, commences when the assets are ready for their intended use.

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, less impairment losses if any.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Machinery spares which meets the criteria of PPE is capitalized and depreciated over the useful life of the respective asset.

On transition to Ind AS:

Under the Previous GAAP, all property, plant and equipment were carried at in the Balance Sheet on basis of historical cost. In accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, the Company, for certain properties, has elected to adopt fair value and recognized as of April 1, 2016 as the deemed cost as of the transition date. The resulting adjustments have been directly recognized in retained earnings. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

Depreciation:

Depreciation on Property, Plant & Equipment (other than freehold land and capital work in progress) is provided on the straight line method, based on their respective estimate of useful lives, as given below. Estimated useful lives of assets are determined based on internal assessment estimated by the management of the Company and supported by technical advice wherever so required. The management believes that useful lives currently used, which is as prescribed under Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of Property, Plant & Equipment (considered at 5% of the original cost), though these lives in certain cases are different from lives prescribed under Schedule II.

Type of assets	Useful life in years
Buildings	
- Factory Building	30 years
- Non Factory Buildings	60 years
Leasehold Improvements	Lower of Useful life of asset or Lease Term
Plant and Machinery *	5 – 25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 - 10 years
Computers	3 years

*Based on internal technical evaluation and external advise received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expect to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets individually costing ₹ 5000 or less are fully depreciated in the year of acquisition.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed periodically including at the end of each financial year. Any changes in depreciation method, useful lives and residual values are treated as a change in accounting estimate and applied/adjusted prospectively, if appropriate.

Measurement of Fair Value:

a) Fair value hierarchy:

The fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued. The fair value measurement has been categorised as level 2 fair value based on the inputs to the valuations technique used.

b) Valuation technique:
Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which input relate to items that are comparable to the assets and the volume or the level of activity in the markets within which the inputs are observed.

2.5 INTANGIBLE ASSETS

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as 'intangible assets under development'.

Intangible assets are derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset are recognised as income or expense in the statement of profit and loss.

Deemed cost on transition to Ind AS:

Under the Previous GAAP, all Intangible assets were carried at in the Balance Sheet on basis of historical cost. The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Amortisation:

Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis. Estimated useful lives by major class of finite-life intangible assets are as follows:

Type of assets	Useful life in years
Computer software	5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

2.6 FINANCIAL INSTRUMENTS

Financial Assets:

Initial recognition and measurement:
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

Financial assets are subsequently classified and measured at

- amortised cost (if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding)
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Equity Instruments:
Investment in subsidiaries are measured at cost less impairment losses, if any.

All investments in equity instruments in scope of Ind AS 109 classified under financial assets are initially measured at fair value.

If the equity investment is not held for trading, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Equity Instruments which are held for trading are classified as measured at FVTPL.

Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

The Company does not have any equity investments designated at FVOCI.

Derivative financial instruments:
The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks and interest rate risks. Such derivative financial instruments are recorded at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Derecognition:
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset:
In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. This involves use of provision matrix constructed on the basis of historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

For recognition of impairment loss on other 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 a subsequent period, 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 recognising impairment loss allowance based on 12-month ECL.

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 cash shortfalls), discounted at the original EIR. Lifetime ECL 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 reporting date.

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Financial Liabilities and equity instruments:

Classification as debt or equity
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement:
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The fair value of a financial instrument at initial recognition is normally the transaction price. If the Company determines that the fair value at initial recognition differs from the transaction price, difference between the fair value at initial recognition and the transaction price shall be recognized as gain or loss unless it qualifies for recognition as an asset or liability. This normally depends on the relationship between the lender and borrower or the reason for providing the loan. Accordingly in case of interest-free loan from promoters to the Company, the difference between the loan amount and its fair value is treated as an equity contribution to the Company.

In accordance with Ind AS 113, the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

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

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables
For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition
A financial liability is derecognised 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 recognised in the statement of profit or loss.

Off setting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amount and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.8 BORROWING COSTS

Borrowing costs comprises interest expense on borrowings calculated using the effective interest method and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. EIR calculation does not include exchange differences.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time considering project as a whole to get ready for their intended use or sale, are included in the cost of those assets. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalisation.

2.9 FOREIGN CURRENCY TRANSACTIONS

The financial statements are presented in Indian Rupees (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, the Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life of the asset.

Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

2.10 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company's lease asset classes primarily consist of leases for Land & office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The company presents right-of-use assets and lease liabilities separately in balance sheet.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and low value leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, stores and spares: cost includes cost of purchase (viz. the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition and is net of trade discounts, rebates and other similar items) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving Weighted Average Method.
- Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Spare parts, which do not meet the definition of property, plant and equipment are classified as inventory.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.12 EMPLOYEE BENEFITS

Short- term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, social security contributions, short term compensated absences (paid annual leaves) etc. are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled and are expensed in the period in which the employee renders the related service

Post-employment benefits :

i) Defined contribution plan

The defined contribution plan is post employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

ii) Defined benefit plan

The Company's obligation towards gratuity liability is a "defined benefit" obligation. The present value of the defined benefit obligations is determined on the basis of actuarial valuation using the projected unit credit method. The rate used to discount "defined benefit obligation" is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the current year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss).

The amount of net interest expense, calculated by applying the liability discount rate to the net defined benefit liability or asset, is charged or credited to 'Finance costs' in the Statement of Profit and Loss.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value of the defined benefit obligation resulting from experience adjustments and effects of changes in actuarial assumptions), the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and is recognised immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss account in subsequent periods.

Other long-term employee benefit obligations:

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

2.13 SHARE-BASED PAYMENTS:

Employees of the Company receive remuneration in the form of share based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated using an appropriate valuation model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. An additional expense is recognised for any modification that increases the total fair value of the shares based payments transactions, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, the Company issues fresh equity shares.

2.14 GOVERNMENT GRANT:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Accordingly, government grants :

a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income in profit or loss on a systematic basis over the useful life of the assets.

b) related to an expense item is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and presented as deduction from the related/relevant expense.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.15 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal group) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale 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.

If the criteria for held for sale is no longer met, the asset ceases to be classified as held for sale and the asset shall be measured at the lower of :

(a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and

(b) its recoverable amount at the date of the subsequent decision not to sell.

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 increase 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.

Property, plant and equipment and intangible assets once classified as "held for sale" are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

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.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

2.16 TAXATION

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

Current income tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Current income tax assets and liabilities are measured at the amount expected to be recovered from 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 reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses unabsorbed tax depreciation. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and

taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Uncertain Tax Issue:

The company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that predicts the resolution of the uncertainty, the Company has considered most likely amount method & expected value method. Company adopted most likely amount method for resolution of the uncertainty of its tax treatment. The company determined, based on its tax compliance that it is probable that its tax treatment will be accepted by taxation authorities.

2.17 PROVISIONS AND CONTINGENCIES

Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made 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 to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Contingencies:

Contingent liabilities

A contingent liability 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 but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed unless the contingency is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence 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.

Contingent assets are not recognised but are disclosed when the inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2.18 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company is engaged in manufacture and trading of synthetic yarn and textiles which is considered as the only reportable business segment. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates the Company's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

2.19 RELATED PARTY

A related party is a person or entity that is related to the reporting entity and it includes :

(a) A person or a close member of that person's family if that person:

  (i) has control or joint control over the reporting entity;

  (ii) has significant influence over the reporting entity; or

  (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions apply:

(i) The entity and the reporting entity are members of the same Group.

(ii) One entity is an associate or joint venture of the other entity.

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

(a) that person's children, spouse or domestic partner, brother, sister, father and mother;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transactions and outstanding balances disclosed in the financial statements are in accordance with the above definition as per Ind AS 24.

2.20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at banks and cash on hand and short term deposits/ investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by the Company.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an entity's cash management.

2.21 DIVIDEND TO EQUITY SHARE HOLDERS OF THE COMPANY

The company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.22 CASH FLOW STATEMENT

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in Ind AS 7 'Statement of Cash Flows', adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and

iii. all other items for which the cash effects are investing or financing cash flows.

2.23 EARNINGS PER SHARE

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Contingently issuable shares are treated as outstanding and are included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied (i.e. the events have occurred).

Diluted earnings per equity share are computed by dividing the net profit or loss before OCI attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares (including options and warrants). The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. Anti-dilutive effects are ignored.

2.24 EVENTS AFTER REPORTING DATE

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

2.25 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is charged to the Statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised as an intangible asset under development. Tangible assets used in research and development are capitalised under respective heads.

These development costs are amortised over the estimated useful life of the projects or the products they are incorporated within. The amortisation of capitalised development costs begins as soon as the related product is released to production.

2.26 EXCEPTIONAL ITEMS

An item of Income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the financial statements.

2.27 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The Company charges its CSR expenditure during the year to the statement of profit & loss.

2.28 STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property, Plant and equipment-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets–The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

Particulars	Freehold Land	Building	Lease Hold Improvements	Plant & Machinery [refer note (i) and (ii) below	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total Property, Plant and Equipments
Gross Carrying Value as at April 01, 2020	**3,239.74**	**16,244.66**	**88.84**	**1,05,993.54**	**292.59**	**592.38**	**178.64**	**206.36**	**1,26,836.75**
Additions	59.21	981.98	-	3,228.63	24.81	66.19	39.17	34.82	4,434.81
Sales/Adjustments	-	-	-	(38.22)	-	(67.06)	-	(3.94)	(109.22)
Reclassification to assets held for sale	(492.31)	(264.84)	-	-	-	-	-	-	(757.15)
Gross Carrying Value as at March 31, 2021	**2,806.64**	**16,961.80**	**88.84**	**1,09,183.95**	**317.40**	**591.51**	**217.81**	**237.24**	**1,30,405.19**
Additions	21.94	2,586.75	-	14,813.05	18.76	214.91 ^	19.85	40.87	17,716.13
Sales/Adjustments	-	-	-	(143.00)	-	(49.27)	-	(7.61)	(199.88)
Gross Carrying Value as at March 31, 2022	**2,828.58**	**19,548.55**	**88.84**	**1,23,854.00**	**336.16**	**757.15**	**237.66**	**270.50**	**1,47,921.44**

(₹ in Lakhs)

Particulars	Freehold Land	Building	Lease Hold Improvements	Plant & Machinery [refer note (i) and (ii) below	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total Property, Plant and Equipments
Accumulated Depreciation as at April 01, 2020	**-**	**1,750.09**	**31.53**	**12,983.02**	**115.43**	**201.10**	**106.85**	**119.60**	**15,307.62**
Depreciation Expenses	-	633.62	8.46	4,968.46	37.85	68.79	19.49	43.71	5,780.38
Deductions/Adjustments	-	-	-	(16.61)	-	(58.57)	-	(3.02)	(78.20)
Reclassification to assets held for sale		(41.71)	-	-	-	-	-	-	(41.71)
Accumulated Depreciation as at March 31, 2021	**-**	**2,342.00**	**39.99**	**17,934.87**	**153.28**	**211.32**	**126.34**	**160.29**	**20,968.09**
Depreciation Expenses	-	683.41	8.46	5,405.06	32.64	81.17	29.99	35.58	6,276.31
Deductions/Adjustments	-	-	-	(52.52)	-	(23.50)	-	(6.31)	(82.33)
Accumulated Depreciation as at March 31, 2022	**-**	**3,025.41**	**48.45**	**23,287.41**	**185.92**	**268.99**	**156.33**	**189.56**	**27,162.07**
Net Carrying Value as at March 31, 2021	2,806.64	14,619.80	48.85	91,249.08	164.12	380.19	91.47	76.95	1,09,437.10
Net Carrying Value as at March 31, 2022	2,828.58	16,523.14	40.39	1,00,566.59	150.24	488.16	81.33	80.94	1,20,759.37

* Includes ₹ 10.53 Lakhs on reclassification of assets held for sale.

^ Includes vehicle amounting to ₹ 85.00 Lakhs purchased during the year not registered in the name of the company, registration is under process.

If Freehold land was measured using the cost model. The carrying amounts would be as follows:

(₹ in Lakhs)

Net Book Value	As at March 31, 2022	As at March 31, 2021
Cost	249.00	227.06
Accumulated depreciation and impairment	-	-
Net carrying value	**249.00**	**227.06**

i) Foreign Exchange differences on long term foreign currency loans (as permitted by para. D13AA of Ind AS 101) aggregating Gain of ₹ 47.79 Lakhs decapitalised (Previous year loss ₹ 159.33 Lakhs capitalised) during the year. The accumulated foreign exchange fluctuation capitalised is ₹ 5,131.64 Lakhs (Upto Previous year ₹ 5,179.43 lakhs).

ii) Expenditure incurred during construction period ₹ 929.00 Lakhs (previous year ₹ NIL) and borrowing cost ₹ 1,005.80 Lakhs (previous year ₹ 29.47 Lakhs) has been capitalised. (Refer note 58)

iii) Charge has been created against the aforesaid assets for the borrowings taken by the Company. (Refer note 21 and 27)

iv) Title deeds of Immovable Properties not held in name of the Company

Relevant Item in the Balance sheet	Description of the Property	Gross Carrying Value (₹ In Lakhs)	Tittle deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipments	Freehold Land Survey No. 45/1, Demni Road, Dadra	21.94	Manjula Ben Nirbhay Singh Rajput	No	February 13, 2020	The possession and original agreement to sell of the property is in the name of the Company. Further, tittle deeds will be registered in the name of the Company once state Government's policy on registry is changed.

3A. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	Building	Plant & Machinery	Total
Gross Carrying Value as at April 01, 2020	**393.30**	**2,116.83**	**2,510.13**
Additions	1,189.66	9,850.28	11,039.94
Capitalised	(293.53)	(242.71)	(536.24)
Gross Carrying Value as at March 31, 2021	**1,289.43**	**11,724.40**	**13,013.83**
Additions	1,343.33	4,330.46	5,673.79
Capitalised	(1,602.33)	(12,942.56)	(14,544.89)
Gross Carrying Value as at March 31, 2022	**1,030.43**	**3,112.30**	**4,142.73**
Net Carrying Value as at March 31, 2021	1,289.43	11,724.40	13,013.83
Net Carrying Value as at March 31, 2022	1,030.43	3,112.30	4,142.73

i) Capital work-in-progress includes expenditure incurred during construction period pending allocation aggregating ₹ 97.23 Lakhs (P.Y. ₹ 555.56 Lakhs) and borrowing cost ₹ 2.07 Lakhs (P.Y. ₹ 633.78 Lakhs) (Refer note 58)

ii) Charge has been created against the aforesaid assets for the borrowings taken by the Company. (Refer note 21 and 27)

Capital Work in Progress (CWIP) Ageing Schedule as at March 31, 2022

(₹ in Lakhs)

S.No	Particulars	Amount in CWIP for a period of				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
1	Projects in progress	3,616.66	175.35	-	-	3,792.01
2	Plant & Machinery and building under development (R&D) (refer note 56)	335.19	15.53	-	-	350.72
3	Projects temporarily suspended	-	-	-	-	-
Total		**3,951.85**	**190.88**	**-**	**-**	**4,142.73**

Since, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan, hence the ageing for CWIP completion schedule has been dispensed with.

Capital Work in Progress (CWIP) Ageing Schedule as at March 31, 2021

(₹ in Lakhs)

S.No	Particulars	Amount in CWIP for a period of				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
1	Projects in progress	11,024.41	1,973.89	-	-	12,998.30
2	Plant & Machinery and building under development (R&D) (refer note 56)	15.53	-	-	-	15.53
3	Projects temporarily suspended	-	-	-	-	-
Total		**11,039.94**	**1,973.89**	**-**	**-**	**13,013.83**

Since, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan, hence the ageing for CWIP completion schedule has been dispensed with.

4. RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Total
Gross Carrying value as at April 01, 2020	**3,883.10**	**323.30**	**4,206.40**
Additions	-	-	-
Changes due to modification in lease	-	(121.93)	(121.93)
Gross Carrying Value as at March 31, 2021	**3,883.10**	**201.37**	**4,084.47**
Additions	-	6.96	6.96
Disposals	-	-	-
Gross Carrying Value as at March 31, 2022	**3,883.10**	**208.33**	**4,091.43**

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Total
Accumulated Depreciation as at April 01, 2020	**19.58**	**44.59**	**64.17**
Depreciation Expenses	17.83	25.08	42.91
Disposals	-	-	-
Accumulated Depreciation as at March 31, 2021	**37.41**	**69.67**	**107.08**
Depreciation Expenses	19.52	26.41	45.93
Disposals	-		-
Accumulated Depreciation as at March 31, 2022	**56.93**	**96.08**	**153.01**
Net Carrying Value as at March 31, 2021	3,845.69	131.70	3,977.39
Net Carrying Value as at March 31, 2022	3,826.17	112.25	3,938.42

If Leasehold land was measured using the cost model. The carrying amounts would be as follows:

(₹ in Lakhs)

Net Book Value	As at March 31, 2022	As at March 31, 2021
Cost	1,654.54	1,654.54
Accumulated depreciation and impairment	53.03	44.81
Net Carrying Value	**1,601.51**	**1,609.73**

5. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development*
Gross Carrying value as at April 01, 2020	**126.72**	**-**
Additions	25.56	-
Disposals/ Capitalised	-	-
Gross Carrying Value as at March 31, 2021	**152.28**	**-**
Additions	-	24.50
Disposals/ Capitalised	-	-
Gross Carrying Value as at March 31, 2022	**152.28**	**24.50**

(₹ in Lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development*
Accumulated Depreciation as at April 01, 2020	**58.59**	**-**
Depreciation Expenses	12.72	-
Disposals	-	-
Accumulated Depreciation as at March 31, 2021	**71.31**	**-**
Depreciation Expenses	15.82	-

(₹ in Lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development*
Disposals	-	-
Accumulated Depreciation as at March 31, 2022	**87.13**	**-**
Net Carrying Value as at March 31, 2021	80.97	-
Net Carrying Value as at March 31, 2022	65.15	24.50

* Includes ₹ 24.50 lakhs (previous year Nil) on research and development project (refer note 56)

INTANGIBLE ASSET UNDER DEVELOPMENT AGEING SCHEDULE AS AT MARCH 31, 2022

(₹ in Lakhs)

S.No	Particulars	Amount in Intangible asset under development for a period of				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
1	Project in progress (R&D) (refer note 56)	24.50	-	-	-	24.50
2	Projects temporarily suspended	-	-	-	-	-
Total		**24.50**	**-**	**-**	**-**	**24.50**

INTANGIBLE ASSET UNDER DEVELOPMENT AGEING SCHEDULE AS AT MARCH 31, 2021

(₹ in Lakhs)

S.No	Particulars	Amount in Intangible asset under development for a period of				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
1	Project in progress (R&D) (refer note 56)	-	-	-	-	-
2	Projects temporarily suspended	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**

6 NON- CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face value per share	As at March 31, 2022		As at March 31, 2021	
		No. of Shares	Value	No. of Shares	Value
Investments in equity shares					
In Others (Unquoted) fully paid at fair value through profit or loss (FVTPL)					
Bhadreshwar Vidyut Private Limited (Shares kept with Park Energy Private Limited, an escrow agent)	0.19	-	-	23,90,000	4.54
Total	**-**	**-**	**-**	**-**	**4.54**
Aggregate amount of quoted investments	-	-	-	-	-
Market value of quoted investments	-	-	-	-	-
Aggregate amount of unquoted investments	-	-	-	-	4.54
Aggregate amount of impairment in value of Investments	-	-	-	-	-

6 NON- CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face value per share	As at March 31, 2022		As at March 31, 2021	
		No. of Shares	Value	No. of Shares	Value
Investment Carried at Fair Value through Profit & Loss	-	-	-	-	4.54
Investment Carried at Fair Value through Other comprehensive Income	-	-	-	-	-
Investment Carried at Amortised Cost	-	-	-	-	-

7 NON CURRENT OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	78.76	57.73
Interest Receivable - On FDR	1.06	0.99
Deposits with banks remaining maturity of more than 12 months (refer note 13)	21.85	51.96
Total	**101.67**	**110.68**

8 NON-CURRENT INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax recoverable (net of provisions)	19.73	92.32
Total	**19.73**	**92.32**

9 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	1,322.98	717.46
Deposit with excise/sales tax department under protest	18.38	19.18
Prepaid expenses	24.63	11.44
Total	**1,365.99**	**748.08**

10 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials (includes Inventory in Transit ₹ 5426.98 Lakhs, previous year ₹ 2,870.91 Lakhs)	14,595.86	8,300.27
Work In Progress	1,488.75	787.83
Finished Goods (Including goods sold in transit ₹ 360.07 Lakhs, previous year ₹ 194.14 Lakhs)	16,819.46	13,806.34
Packing Material	1,594.54	1,393.08

10 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Stores, Spares & Consumables (includes Inventory in Transit ₹ 708.83 Lakhs, previous year ₹ Nil)	3,070.74	1,154.30
Total	**37,569.35**	**25,441.82**

During the year ₹ Nil (Previous year ₹ 22.56 Lakhs) was recognised as an expense for inventories carried at net realisable value.

Inventories have been pledged as security for borrowings, refer note 21 and note 27 for details

11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	14,458.73	12,137.15
Trade receivables which have significant Increase in Credit risk	131.14	106.28
Trade receivables - Credit impaired	-	-
	14,589.87	**12,243.43**
Less: Allowance for doubtful trade receivables	84.54	79.54
Total	**14,505.33**	**12,163.89**

There are no trade receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

Trade Receivables have been pledged as security for borrowings, refer note 21 and note 27 for details

TRADE RECEIVABLE AGEING SCHEDULE AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed Trade receivables							
– considered good	7,441.52	7,017.21	-	-	-	-	14,458.73
– which have significant increase in credit risk	-	-	25.13	0.28	-	-	25.41
– credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	72.37	33.36	105.73
– credit impaired	-	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

TRADE RECEIVABLE AGEING SCHEDULE AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed Trade receivables							
– considered good	4,396.91	7,740.24	-	-	-	-	12,137.15
– which have significant increase in credit risk	-	-	0.34	-	-	-	0.34
– credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	72.58	33.36	-	105.94
– credit impaired	-	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

12 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with Banks *	83.00	1,142.71
Cash on hand	7.00	10.08
Total	**90.00**	**1,152.79**

* Includes ₹ Nil (previous year ₹ 58.05 Lakhs) that are not available for use by the Company as they represent Share application money including tax received against ESOS.

13 BANK BALANCES (OTHER THAN CASH AND CASH EQUIVALENT)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with bank		
Unpaid dividend account *	1.54	-
Unspent CSR account *	110.96	-
Other Bank balances :-		
Deposits with original maturity of less than 3 months **	378.06	111.36
Deposits with original maturity for more than 3 months but upto 12 months **	2,272.77	2,344.89
Deposits with original maturity of more than 12 months **	51.97	51.96
Total	**2,702.80**	**2,508.21**
Less : Amount disclosed under non current financial assets (refer note 7)	21.85	51.96
Total	**2,793.45**	**2,456.25**

* The balances are not available with the company for utilisation

** Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank

14 CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances/Loan to employees	47.22	42.40
Total	**47.22**	**42.40**

There are no loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

15 OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance claims receivable	839.43	40.41
Interest Receivable - On FDR	31.69	28.24
Interest Subsidy Receivable	1,303.59	1,016.10
Total	**2,174.71**	**1,084.75**

16 CURRENT INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax asset (net of provision)	324.34	36.71
Total	**324.34**	**36.71**

17 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	167.93	1,254.93
Deposit with related parties (refer note 47)	9.60	15.60
GST Refund claim with statutory authority	9,549.17	1,139.36
Balance with the statutory/ Government authorities	3,935.60	6,821.05
Export Incentive Receivable	10.04	43.98
Electricity Duty Refundable	405.85	449.35
Prepaid expenses	245.54	338.93
Others	83.66	13.24
Total	**14,407.39**	**10,076.44**

18 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lands	-	492.31
Buildings	-	223.13
Total	**-**	**715.44**

19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
30,00,00,000 Equity Shares of ₹ 2/- each (March 31, 2021: 30,00,00,000 equity shares of ₹ 2/- each)	6,000.00	6,000.00
Total	**6,000.00**	**6,000.00**
Issued, subscribed and fully paid-up shares		
22,52,65,250 Equity Shares of ₹ 2/- each fully paid (March 31, 2021: 22,08,18,000 equity shares of ₹ 2/- each fully paid)	4,505.31	4,416.36
Total	**4,505.31**	**4,416.36**

A. RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
At the beginning of the Period	22,08,18,000	4,416.36	21,96,85,000	4,393.70
Add : Shares issued during the Period under ESOP	16,47,250	32.95	11,33,000	22.66
Add : Shares issued under preferential allotment	28,00,000	56.00	-	-
Outstanding at the end of the year	**22,52,65,250**	**4,505.31**	**22,08,18,000**	**4,416.36**

B. TERMS / RIGHTS ATTACHED TO EQUITY SHARES

1. The Company has only one class of equity shares having a par value of ₹ 2/- per share (previous year ₹ 2/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS

During the year ended March 31, 2022 the Company had allotted on preferential basis 28,00,000 equity shares of ₹ 2/- each fully paid at a premium of ₹ 93 per share aggregating to ₹ 2,660 Lakhs to promoter group. The proceeds of the preferential allotment have been utilised for general corporate purposes of the Company as stated in the explanatory statement of the AGM Notice.

D. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of ₹ 2/- each fully paid up (Previous year ₹ 2/- each fully paid up)				
Madhu Sudhan Bhageria	1,93,11,799	8.57%	1,93,11,799	8.75%
Purrshottam Bhaggeria	2,17,36,798	9.65%	2,17,36,798	9.84%
Madhav Bhageria	2,19,24,798	9.73%	2,19,24,798	9.93%
Azimuth Investments Ltd.	1,86,50,000	8.28%	1,73,49,082	7.86%
Janus Infrastructure Projects Private Limited	1,40,21,035	6.22%	1,40,21,035	6.35%
Nouvelle Securities Private Limited	1,26,06,901	5.60%	1,14,18,450	5.17%

As per records of the Company including its register of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

E. DETAILS OF SHARES HELD BY PROMOTERS (INCLUDING PROMOTER GROUP)

As at March 31, 2022

Name of the promoter	No. of Shares at the beginning of year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% of change during the year
Equity shares of ₹ 2/- each fully paid up (Previous year ₹ 2/- each fully paid up)					
Promoter					
Madhav Bhageria	2,19,24,798	-	2,19,24,798	9.73%	Nil
Purrshottam Bhaggeria	2,17,36,798	-	2,17,36,798	9.65%	Nil
Madhu Sudhan Bhageria	1,93,11,799	-	1,93,11,799	8.57%	Nil
Promoter's Group					
Azimuth Investments Limited	1,73,49,082	13,00,918	1,86,50,000	8.28%	7.50%
Janus Infrastructure Projects Private Limited	1,40,21,035	-	1,40,21,035	6.22%	Nil
Nouvelle Securities Pvt Ltd	1,14,18,450	11,88,451	1,26,06,901	5.60%	10.41%
Fargo Estates Private Limited	82,00,000	-	82,00,000	3.64%	Nil
Anu Bhageria	58,19,000	-	58,19,000	2.58%	Nil
Vrinda Bhageria	55,00,000	69,201	55,69,201	2.47%	1.26%
Gunjan Bhageria	47,03,474	1,71,728	48,75,202	2.16%	3.65%
Shefali Bhageria	43,38,500	69,702	44,08,202	1.96%	1.61%
Vedansh Bhageria	39,00,000	-	39,00,000	1.73%	Nil
Yaduraj Bhageria	24,75,000	-	24,75,000	1.10%	Nil
Stuti Bhageria	20,80,000	-	20,80,000	0.92%	Nil
SMC Yarns Pvt Ltd	10,22,500	-	10,22,500	0.45%	Nil

As at March 31, 2022

Name of the promoter	No. of Shares at the beginning of year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% of change during the year
Fabiola Farms & Dairy Products Pvt. Ltd	2,33,500	-	2,33,500	0.10%	Nil
Total	**14,40,33,936**	**28,00,000**	**14,68,33,936**	**65.18%**	**1.94%**

As at March 31, 2021

Name of the promoter	No. of Shares at the beginning of year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% of change during the year
Equity shares of ₹ 2/- each fully paid up (Previous year ₹ 2/- each fully paid up)					
Promoter					
Madhav Bhageria	2,19,24,798	-	2,19,24,798	9.93%	Nil
Purrshottam Bhaggeria	2,17,36,798	-	2,17,36,798	9.84%	Nil
Madhu Sudhan Bhageria	1,93,11,799	-	1,93,11,799	8.75%	Nil
Promoter's Group					
Azimuth Investments Limited	1,69,22,150	4,26,932	1,73,49,082	7.86%	2.52%
Janus Infrastructure Projects Private Limited	1,40,21,035	-	1,40,21,035	6.35%	Nil
Nouvelle Securities Pvt Ltd	1,09,38,450	4,80,000	1,14,18,450	5.17%	4.39%
Fargo Estates Private Limited	82,00,000	-	82,00,000	3.71%	Nil
Anu Bhageria	42,89,000	15,30,000	58,19,000	2.64%	35.67%
Vrinda Bhageria	37,82,207	17,17,793	55,00,000	2.49%	45.42%
Gunjan Bhageria	43,40,500	3,62,974	47,03,474	2.13%	8.36%
Shefali Bhageria	43,38,500	-	43,38,500	1.96%	Nil
Vedansh Bhageria	7,50,000	31,50,000	39,00,000	1.77%	420.00%
Yaduraj Bhageria	8,25,000	16,50,000	24,75,000	1.12%	200.00%
Stuti Bhageria	5,00,000	15,80,000	20,80,000	0.94%	316.00%
SMC Yarns Pvt Ltd	10,22,500	-	10,22,500	0.46%	Nil
Fabiola Farms & Dairy Products Pvt. Ltd	2,33,500	-	2,33,500	0.11%	Nil
Total	**13,31,36,237**	**1,08,97,699**	**14,40,33,936**	**65.23%**	**8.19%**

F. SHARES RESERVED FOR ISSUE UNDER OPTIONS:

For details of shares reserved for issue under the Employee Stock option Scheme (ESOS) of the company, (refer note 51)

G. DISTRIBUTION MADE AND PROPOSED

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dividend on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2021 @ ₹ 0.40 per share of face value of ₹ 2 each [March 31, 2020 : Nil]	889.86	-

The difference in the proposed dividend and actual paid is due to increase in share capital on issue of ESOP by the Company on or before the record date for payment of dividend.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Proposed dividend on equity shares:		
Final dividend for the year ended on March 31, 2022 : @0.20 per share of face value of ₹ 2 each [March 31, 2021 : @ 0.40 per share of face value of ₹ 2 each]	450.53	883.27

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at balance sheet date.

H. SHARES HELD BY HOLDING COMPANY OR ITS SUBSIDIARIES/THEIR ASSOCIATES

Particulars	As at March 31, 2022	As at March 31, 2021
No. of Shares	Nil	Nil

20 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	1,253.11	1,253.11
Capital Redemption Reserve	1,250.00	1,250.00
Securities Premium	12,787.19	9,913.47
General Reserve	546.61	418.85
Employee Stock Option Outstanding	109.64	185.95
Retained Earnings [Surplus/(deficit)]	88,962.64	58,689.93
Less: Dividend (Final) [refer note 19(g)]	(889.86)	-
Less: Share issue/buyback expenses	(9.39)	-
Total Reserve and Surplus	**1,04,009.94**	**71,711.31**
Share Application Money received against Filatex ESOS 2015 scheme *	**-**	**58.05**
Other Comprehensive Income (OCI)	**30.59**	**60.88**
Total	**1,04,040.53**	**71,830.24**

* Amount includes Nil (previous year ₹ 4.81 lakhs) received from KMP's (refer note 47).

NATURE AND PURPOSE OF RESERVES

a) Capital Reserve

Capital Reserve was created under the previous GAAP on account of Capital profit in settlement with IDBI Bank and on redemption of certain preference shares.

b) Capital Redemption Reserve
Capital Redemption Reserve was created on redemption of Preference shares out of the profits of the Company in accordance with the requirements of Companies Act.

c) Securities Premium
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This can be utilized in accordance with the provisions of the Companies Act, 2013.

d) General Reserve
This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

e) Employee Stock Option Outstanding
The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) Retained Earnings
Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

21 NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
From Banks		
(i) Term Loans		
- Rupee loans	3,620.31	13,736.59
- Foreign currency loans	13,368.33	17,571.05
- External Commercial Borrowing (ECB)	18,281.62	22,333.42
(ii) Vehicle Loans	15.92	41.15
Total	**35,286.18**	**53,682.21**
Less : Current maturity (refer note 27)	4,917.76	3,740.43
Net Long Term Borrowings (Banks)	**30,368.42**	**49,941.78**
Unsecured		
(iii) From body corporates	-	3,658.00
Total Unsecured Borrowings	-	3,658.00
Total	**30,368.42**	**53,599.78**

I. TERM LOANS

a) From Indian Banks

(i) From banks under consortium arrangement lead by Union Bank of India (UBI) and member bank Punjab National Bank (PNB) and Bank of Baroda (BOB) ₹ 7,429.93 Lakhs (net of transaction cost of ₹ 17.28 Lakhs) [previous Year ₹ 21,780.56 Lakhs (net of transaction cost of ₹ 120.86 Lakhs)]. Rupee term loan bear floating interest rate at MCLR + 0.85% while Foreign currency term loan (FCTL) bear interest rate of 6/12 Months SOFR + 2.00% p.a and are repayable in ballooning quarterly instalments.

(ii) From banks under consortium arrangement lead by BOB and member bank PNB ₹ 9,201.63 Lakhs (net of transaction cost of ₹ 104.06 Lakhs) [previous year ₹ 9,164.11 Lakhs (net of transaction cost of ₹ 130.24 Lakhs)]. Rupee term loan bear floating interest rate at MCLR + 0.85% while Foreign currency term loan (FCTL) bear interest rate of 6/12 Months SOFR + 2.00% p.a and are repayable in ballooning quarterly instalments.

(iii) From PNB ₹ 357.08 Lakhs (net of transaction cost of ₹ 3.19 Lakhs) [previous year ₹ 362.97 Lakhs (net of transaction cost of ₹ 4.11 Lakhs)]. The loan bear floating interest rate at MCLR and is repayable in equal monthly instalments are secured by equitable mortgage created/extended by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except vehicles, plant & machinery and equipment acquired through specific loans), mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) to the extent of the value of the property, personal guarantees of the promoter directors and corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property mortgaged (i.e. ₹ 305 Lakhs). These loans are further secured by second pari passu charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future).

b) External Commercial Borrowings (ECB) From Foreign Consortium Banks

(i) ₹ 1,987.88 Lakhs (net of transaction cost ₹ 40.74 Lakhs) [previous Year ₹ 3,014.98 Lakhs (net of transaction cost ₹ 85.50 Lakhs)], are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipment's thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal instalments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% p.a.

(ii) ₹ 11,402.62 Lakhs (net of transaction cost ₹ 565.27 Lakhs) [previous Year ₹ 13,438.58 Lakhs (net of transaction cost ₹ 763.22 Lakhs)], are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipment's thereof and personal guarantee of promoter directors. The loan is repayable in 20 half yearly equal instalments that commenced from September 2018 and bear Interest at 6M Euribor + 1.10% p.a.

(iii) ₹ 4,891.12 Lakhs (net of transaction cost ₹ 441.45 Lakhs) [previous Year ₹ 5,879.86 Lakhs (net of transaction cost ₹ 274.30 Lakhs)], are secured by first priority exclusive charge over Partial Oriented Yarn spinning machinery and equipment's thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal instalments that commenced from December 2019 and bear Interest at 6M Euribor + 0.80% p.a to 0.88% p.a.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. The said loans carry interest rate which varies from 8.25% to 9.50% p.a and repayable in 36 - 60 Equated Monthly instalments till February 2023

III. The Company has used the borrowings from banks and financial institution for the specific purpose for which it was taken at the balance sheet date.

IV. As on the balance sheet date, there is no default in repayment of loan and interest.

22 NON CURRENT LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability (refer note 48)	152.40	186.97
Total	**152.40**	**186.97**

23 NON CURRENT OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dealer's Deposits	255.58	224.50
Derivative Financial Liabilities (Foreign currency forward contracts)	-	172.26
Total	**255.58**	**396.76**

24 NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity^ (refer note 49)	606.56	509.68
Provision for Leave Encashment*	289.33	266.63
Total	**895.89**	**776.31**

^ Includes an amount of ₹ 71.23 Lakhs (previous year ₹ 67.59 Lakhs) due to related party (refer note 47).

* Includes an amount of ₹ 27.30 Lakhs (previous year ₹ 7.16 Lakhs) due to related party (refer note 47).

25 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Components of Income Tax Expense		
I. Tax expense recognised to Statement of Profit & Loss		
a) Current Tax :		
- Current year	13,896.68	7,008.70
- Adjustment/(credits) related to previous years (net)	113.95	(870.62)
Total (a)	**14,010.63**	**6,138.08**
b) Deferred Tax		
- Relating to origination and reversal of Temporary differences	1,575.61	858.14
- Adjustment/(credits) related to previous years (net)	-	383.52
Total (b)	**1,575.61**	**1,241.66**
Income tax expense reported in the Statement of Profit & Loss (a+b)	**15,586.24**	**7,379.74**
II. Tax on other comprehensive income		
Deferred Tax		
- (Gain)/loss on remeasurement of net defined benefit plans	(10.19)	9.91
Total	**(10.19)**	**9.91**
B. Reconciliation of tax expense to the accounting profit is as follows :		
Accounting Profit before income tax	45,858.95	23,963.06
India's statutory Income tax rate (%)	34.944%	34.944%
Tax on accounting profit at above rate	16,024.95	8,373.65
Adjustments in respect of Income tax of Previous years	113.95	(487.10)
Non-deductible/(deductible) expenses for Tax purposes		
- CSR expenditure	153.85	41.95
- Depreciation on leasehold land	2.87	1.03
- Difference in Tax rate on sale of Land (Capital Goods)	(160.07)	-
- Employee share based payment expense	17.98	29.04
- Effect of deferred tax on transactions due to the changes in Income tax rate	(557.12)	(486.15)
- Other deductible expenses	(10.17)	(92.68)
Income tax expense reported in the statement of Profit & Loss	**15,586.24**	**7,379.74**

i) The tax rate used for calculating deferred tax is 25.168 % payable by corporate entities in India on taxable profits under the Indian tax law.

ii) The Indian Companies have to pay taxes based on the higher of Income-tax profit of the Company or MAT.

C. Movement in Deferred Tax Assets and Liabilities

(₹ in Lakhs)

Particulars	As at April 01, 2020	MAT Credit Utilised	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2021	MAT Credit Utilised	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2022
a) Deferred tax liabilities									
- On property, plant and equipments	11,997.35	-	988.92	-	12,986.27	-	1,352.39	-	14,338.66
- On fair value gain/(loss) on Property, Plant & Equipment	1,085.03	-	(3.74)	-	1,081.29	-	31.12	-	1,112.41
- Interest Subsidy Deferred	-	-	255.73	-	255.73	-	72.36	-	328.09
- Right to use asset	70.14	-	(37.00)	-	33.14	-	(4.90)	-	28.24
Total deferred tax liabilities	**13,152.52**	**-**	**1,203.91**	**-**	**14,356.43**	**-**	**1,450.97**	**-**	**15,807.40**
b) Deferred tax assets									
- On Provision for Doubtful Debts and advances	108.60	-	(88.58)	-	20.02	-	1.26	-	21.28
- Lease liability	90.49	-	(36.76)	-	53.73	-	(6.68)	-	47.05
- On provision for compensated absences (Bonus & Leave encashment)	181.21	-	(22.29)	-	158.92	-	9.90	-	168.82
- On Gratuity and other Employee Benefits	166.65	-	8.13	9.91	184.69	-	49.15	(10.19)	223.65
- On exchange variation on capital goods charged to P&L	262.93	-	112.93	-	375.86	-	(128.31)	-	247.55
- On deferred Income	611.22	-	(31.00)		580.22	-	(29.58)	-	550.64
Total deferred tax assets before MAT credit entitlement	**1,421.10**	**-**	**(57.57)**	**9.91**	**1,373.44**	**-**	**(104.26)**	**(10.19)**	**1,258.99**
Total deferred tax liabilities (Net) before MAT credit entitlement	11,731.42	-	1,261.48	(9.91)	12,982.99	-	1,555.23	10.19	14,548.41
Less: MAT Credit entitlement	7,949.05	(2,141.39)	-	-	5,807.66	(5,807.66)	-	-	-
Total deferred tax liabilities (Net)	**3,782.37**	**2,141.39**	**1,261.48**	**(9.91)**	**7,175.33**	**5,807.66**	**1,555.23**	**10.19**	**14,548.41**

26 NON CURRENT OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Income - Govt. Grant (refer note 50(a))	2,350.48	2,475.35
Total	**2,350.48**	**2,475.35**

27 CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
From Banks (Secured)		
(i) Working Capital :		
- Rupee loans	362.58	1,268.94
Current maturity of long term borrowings (refer note 21)		
From Banks (secured)		
(i) Term Loans		
- Rupee loans	1,758.71	540.65
- External Commercial Borrowings	3,143.13	3,174.77
(ii) Vehicle Loans	15.92	25.01
Total	**5,280.34**	**5,009.37**

I. Working capital loans from consortium member banks (UBI, PNB and BOB) are secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) on pari passu basis and are further secured by way of second charge on block of fixed assets of the Company (save & except vehicles and plant & machinery acquired out of specific loan(s)). These facilities are further secured by equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) to the extent of the value of the property and personal guarantees of promoter directors and corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property (i.e. ₹ 305 Lakhs) on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 0.80% to 0.85% p.a.

II. DISCLOSURE OF RETURNS / STATEMENTS SUBMITTED BY THE COMPANY TO THE BANK ON QUARTERLY BASIS IN RESPECT OF BORROWINGS:

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

III. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

28 CURRENT LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability (refer note 48)	34.57	26.53
Total	**34.57**	**26.53**

29 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payable		
Dues of other than micro & small enterprises		
- Acceptances - Foreign	6,787.58	4,892.70
- Acceptances - Domestic	2,926.95	-
- Others	21,090.81	21,652.85
Dues of micro & small enterprises (refer note 45)	949.75	878.61
Total	**31,755.09**	**27,424.16**

TRADE PAYABLES AGEING SCHEDULE AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Dues of micro and small enterprises	949.75	-	-	-	-	949.75
Dues of creditors other than micro and small enterprises	30,679.97	125.37	-	-	-	30,805.34
Disputed dues of micro and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule

TRADE PAYABLES AGEING SCHEDULE AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Dues of micro and small enterprises	878.61	-	-	-	-	878.61
Dues of creditors other than micro and small enterprises	26,502.97	39.92	2.66	-	-	26,545.55
Disputed dues of micro and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule

30 CURRENT OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued	157.47	213.68
Security Deposit	64.68	58.78
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	1.54	-
Expenses payable #	2,387.73	2,860.31
Derivative Financial Liabilities (Foreign currency forward contracts)	64.84	-
Capital Creditors	617.90	586.00
Payable other than trade *	3,390.23	1,932.53
Total	**6,684.39**	**5,651.30**

Amount includes ₹ 282.93 lakhs (previous year ₹ 162.76 lakhs) payable to KMP's (refer note 47).

*Amount Includes ₹ Nil (previous year ₹ 1.56 Lakhs) received from KMP's on account of Tax payment on ESOS (refer note 47).

31 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	155.03	136.04
Deferred Income - Govt. grant (refer note 50(a))	124.87	124.87
Custom Duty payable against export obligation	75.73	129.45
Dues to statutory authorities	428.03	329.49
Liability towards corporate social responsibility	222.94	-
Total	**1,006.60**	**719.85**

32 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (refer note 49)	282.04	224.10
Provision for Leave Encashment	169.30	126.99
Total	**451.34**	**351.09**

33 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received against asset held for sale	-	596.00
Total	**-**	**596.00**

34 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from Contracts with Customers		
Sale of products	3,78,420.38	2,18,189.85
Sale of traded goods	3,533.81	4,007.48
Other operating revenue	855.21	517.96
Total	**3,82,809.40**	**2,22,715.29**

OTHER OPERATING REVENUE COMPRISING THE FOLLOWING :

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Other operating revenue		
Sales of scrap	845.86	470.01
Export incentives earned	9.35	47.95
Total	**855.21**	**517.96**

RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue as per Contract Price	3,83,366.97	2,24,555.28
Less :- Discounts & Rebates	566.92	1,887.94
Net Revenue recognised from contracts with customers	**3,82,800.05**	**2,22,667.34**

35 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Income on		
a) Financial assets held at amortised cost		
Fixed deposits with banks	191.92	130.24
Others	352.14	116.18
b) Others		
Interest on Income Tax refund	11.33	0.20
Dividend Income		
Dividend on current investment in mutual funds	97.52	138.69

35 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Other non-operating Income		
Net gain on sale of property, plant and equipment [Net of loss of ₹ 2.60 Lakhs (previous year ₹ 5.28 Lakhs)]	21.21	17.34
Net gain on foreign currency transaction and translation	1,649.68	334.08
Government Grant (Refer note 50(a))	124.87	124.87
Insurance claim received	16.37	-
Miscellaneous Income	31.61	21.20
Sundry balances written back	26.41	62.65
Total	**2,523.06**	**945.45**

36 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Raw Material	2,70,592.92	1,46,656.96
Packing Material	13,726.67	8,644.39
Consumables	1,721.52	1,312.35
Total	**2,86,041.11**	**1,56,613.70**

37 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & WORK IN PROGRESS

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Closing stock		
- Finished goods	16,819.46	13,806.34
- Work- In- Progress	1,488.75	787.83
Total	**18,308.21**	**14,594.17**
Opening stock		
- Finished goods	13,806.34	11,375.30
- Work- In- Progress	787.83	807.55
Total	**14,594.17**	**12,182.85**
- Total (increase)/decrease	(3,714.04)	(2,411.32)

38 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, wages and bonus	7,809.67	6,036.88
Contribution to provident & other funds	330.03	269.67
Employee Stock Option expense (refer note 51)	51.45	83.11
Gratuity (refer note 49)	111.55	94.71
Staff welfare expenses	284.01	229.54
Total	**8,586.71**	**6,713.91**

39 FINANCE COST

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest		
- on term loans (refer note 50(b))	1,049.58	2,079.34
- on working capital & others	264.50	495.32
- on Income Tax	156.46	0.73
- on lease liabilities (refer note 48)	21.35	23.76
- on defined benefit Plan (refer note 49)	39.62	40.39
Exchange difference regarded as an adjustment to borrowing Cost	639.24	1,712.96
Other Borrowing cost	1,429.35	1,528.49
Total	**3,600.10**	**5,880.99**

40 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Manufacturing Expenses		
Consumption of stores and spares	2,120.08	1,408.78
Power & Fuel	25,253.12	16,762.48
Total manufacturing Expenses (A)	**27,373.20**	**18,171.26**
Selling Expenses		
Market Development Expenses	57.76	51.17
Freight outward	1,465.32	1,263.78
Commission on sales	3,196.40	1,830.44
Total selling expenses (B)	**4,719.48**	**3,145.39**
Administration and other expenses		
Rent	376.70	181.32

40 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Repair & Maintenance - Machinery	519.95	257.64
- Building	92.54	97.22
- Others	246.35	249.78
Research & Development Expenses	60.63	28.95
Insurance	402.09	224.88
Rates & taxes	94.37	53.21
Auditors' remuneration (refer note 44)	27.22	22.95
Electricity & Water expenses	66.96	60.24
Printing & stationery	40.36	40.61
Postage, telephone & telegram	54.92	49.49
Travelling & conveyance	322.09	265.62
Vehicle running & maintenance	123.76	117.32
Legal & professional charges	305.60	150.02
Directors' sitting fees	10.90	8.25
Security services	4.20	4.16
Expenditure towards Corporate Social Responsibility (refer note 43)	440.29	120.06
General expenses	111.25	69.42
Donation & charity (Other than Political Parties)	2.14	0.15
Advertisement & publicity	6.59	4.61
Membership & subscription	20.44	21.44
Provision for Doubtful Debts	5.00	-
Bad Debts Written Off ₹ Nil [Previous year: ₹ 453.86 Lakhs (net of provision for doubtful debts adjusted ₹ 351.97 Lakhs)]	-	101.89
Total administrative & other expenses (C)	**3,334.35**	**2,129.23**
Total (A + B + C)	**35,427.03**	**23,445.88**

41 EARNINGS PER SHARE (EPS)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net profit/(loss) for calculation of basic/diluted EPS (₹ In Lakhs)	30,272.71	16,583.32
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic EPS	**22,37,68,238**	**22,09,06,879**
Effect of Dilution:		
Effect of dilutive issue of stock option (ESOS)	8,20,686	9,94,067

41 EARNINGS PER SHARE (EPS)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Weighted average number of shares in calculating Diluted EPS	**22,45,88,924**	**22,19,00,946**
Nominal Value of each share	2	2
Earning per share:		
Basic (₹)	13.53	7.51
Diluted (₹)	13.48	7.47

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

42 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

I) CONTINGENT LIABILITIES

(₹ in Lakhs)

		Particulars	As at March 31, 2022	As at March 31, 2021
A.		**Claims against the Company not acknowledged as debts**		
	a)	Excise / Custom duty (Mainly relating to reversal of Cenvat credit)	574.75	519.57
	b)	Amount of duty saved on import of plant & machinery under EPCG scheme on pending export obligations	324.27	2,092.52
	c)	Other Claims against the Company not acknowledged as debts	434.89	434.89
	d)	Income Tax Demand (AY 2016-17)	4,445.20	-
B		**Guarantees**		
	a)	Letters of Credits	11,171.50	5,427.05
	b)	Unexpired Bank Guarantees*	8,683.67	7,102.65
C		**Other money for which the Company is contingently liable**	**-**	**-**

D

1 DRI Kolkata has issued Show Cause Notice dated July 26, 2019 raising a demand of ₹ 3,699.03 Lakhs on account of alleged violation of conditions of Notification No.N/N 79/2017 – Cus. dated October 13, 2017. The Company filed a writ petition dated September 21, 2020 with Gujarat High Court for stay of proceedings and Hon'ble High Court of Gujarat vide its order dated October 04, 2019 has granted stay. In similar matters the Hon'ble High Court of Gujarat has held that the condition in the said notification is Ultra Vires the scheme as contained in Foreign Trade Policy 2015-20. The management believes that even in case of adverse decision of competent authority there would not be any liability on the company, since the company would be entitled to input tax credit of IGST. However, the Company may be liable to pay interest and penalty if any which is unascertained as on date.

2 The Company has filed writ petition in Gujrat High Court at Ahmedabad on March 17,2022 against the demand raised by Asst. Commissioner, Bharuch for ₹ 2,340.87 lakhs in respect of ITC on services in the case of inverted duty refunds granted for the period May 2018 to Jan 2021. Hon'ble High Court has stayed the demand. The Company is entitled to Input Tax credit of alleged excess refund even if the case is decided against the Company. Thus, there would not be any financial impact of the same. However, the company may have to pay interest which is presently not ascertainable.

3 Hon'ble Gujarat High Court vide its order dated February 18, 2022 has quashed and set aside the order dated July 19, 2021 passed by Joint Commissioner CGST & Central Excise raising a demand for alleged excess GST refunds of ₹ 8,537.07 Lakhs, with the direction for reassessment. The Company is entitled to Input Tax credit of alleged excess refund. Thus, there would not be any financial impact of the same. The company may have to pay interest which is presently not ascertainable.

* Guarantees issued by bank are secured by way of first pari-passu charge and hypothecation of stock and book debts of the Company.

The Company does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timings of the cash flows, if any. In respect of the matters pending resolution of the arbitration/ appellate proceedings and it is not probable that an outflow of resources will be required to settle the above obligations/ claims.

Based on the discussion with the solicitors and as advised, the Company believes that there are fair chances of decisions in its favour (in respect of the items listed in A (a) to A (d) & D above). Hence, no provision is considered necessary against the same.

II) CAPITAL & OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, Plant and equipment	7,132.92	3,664.82

b) Other commitments :

Export obligation of ₹ 1,459.23 lakhs (previous year ₹ 6,296.32 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.

43 AS PER SECTION 135 OF THE COMPANIES ACT, 2013, A COMPANY, MEETING THE APPLICABILITY THRESHOLD, NEEDS TO SPEND AT LEAST 2% OF ITS AVERAGE NET PROFIT FOR THE IMMEDIATELY PRECEDING THREE FINANCIAL YEARS ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES.

Disclosure in respect of CSR expenditure is as follows:

(₹ in Lakhs)

	Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
a)	Gross amount required to be spent by the Company during the year	329.33	231.02
b)	Amount approved by the board to be spent during the year	329.33	231.02
c)	Amount spent during the year on the following:		
	1 Construction/acquisition of asset	-	-
	2 On purposes other than 1 above	217.35	120.06
d)	Shortfall at the end of the year	111.98	110.96
e)	Total of previous year shortfall	110.96	-
f)	Reason for Shortfall	Pertains to Ongoing project	Pertains to Ongoing project
g)	Nature of CSR Activities	Direct expenditure on rural development, promoting healthcare, education, women empowerment etc and Contribution to Charitable Trusts.	
h)	Details of related party transactions in relation to CSR expenditure	Nil	Nil
i)	Whether a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year.	NA	NA

DETAILS OF ONGOING PROJECT AND OTHER THAN ONGOING PROJECT

(₹ in Lakhs)

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's Bank A/c	From separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
110.96	-	111.98	-	-	111.98	110.96

(₹ in Lakhs)

In case of S. 135(6) (Ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	217.35	217.35	-

44 STATUTORY AUDITOR'S REMUNERATION (Net of GST)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
As Auditors		
a) Audit fees (including fees for limited review)	21.00	18.00
b) Tax audit fees	4.00	4.00
In other capacity		
c) Other services (certification charges)	1.35	0.50
d) Reimbursement of Expenses	0.87	0.45
Total	**27.22**	**22.95**

45 DETAILS OF DUES TO MICRO & SMALL ENTERPRISES AS PER MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

(₹ in Lakhs)

S.No	Particulars	As at March 31, 2022	As at March 31, 2021
i)	The principal amount & the interest due thereon remaining unpaid at the end of the year		
	Principal Amount	949.75	878.61
	Interest Due thereon	-	-
ii)	Payments made to suppliers beyond the appointed day during the year		
	Principal Amount	305.47	28.30
	Interest Due thereon	2.71	0.43
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the Company. In cases of confirmation from vendors, interest for delayed payments has not been provided amounting to ₹ 2.71 lakhs (Previous Year ₹ 0.43 lakhs).

46 SEGMENT INFORMATION

The Company is primarily engaged in manufacture and trading of synthetic yarn and textiles which is considered as the only reportable business segment. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates The Company's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

INFORMATION ABOUT REPORTABLE SEGMENT

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
External revenue in the above reportable business segment	3,82,809.40	2,22,715.29

INFORMATION ABOUT GEOGRAPHICAL AREAS

a. Revenue from Contracts with Customers disaggregated based on geography

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Within India	3,47,846.95	1,98,634.44
Outside India	34,962.45	24,080.85
Total	**3,82,809.40**	**2,22,715.29**

b. Non current assets (other than financial instruments and tax assets)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Within India	1,30,296.16	1,27,257.37
Outside India	-	-
Total	**1,30,296.16**	**1,27,257.37**

c. Information about major customer :

There are no major customers contributing to more than 10% of the total revenue.

47 RELATED PARTY DISCLOSURE:

(I) NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIPS:

a)	**Key managerial personnel:**	
	i) Shri Madhu Sudhan Bhageria	(Chairman and Managing Director)
	ii) Shri Purrshottam Bhaggeria	(Joint Managing Director)
	iii) Shri Madhav Bhageria	(Joint Managing Director) & (Chief Financial Officer)
	iv) Shri Ashok Chauhan	(Whole time Director)
	v) Shri Brij Behari Tandon	(Independent - Non Executive Director)
	vi) Shri Swarup Chandra Parija	(Independent - Non Executive Director)
	vii) Shri Suraj Prakash Setia	(Independent - Non Executive Director)
	viii) Smt. Pallavi Joshi Bakhru	(Independent - Non Executive Director)
	ix) Shri Anil Dutt Mohla	(Chief Financial Officer) Resigned on May 27, 2020
	x) Shri Raman Kumar Jha	(Company Secretary)

b)	**Relative of key managerial personnel:**	
	i) Smt. Satya Bhama Bhageria	(Mother of related party mentioned at a(i), (ii) & (iii) above).
	ii) Smt. Anu Bhageria	(Wife of related party mentioned at a(i) above).
	iii) Smt. Shefali Bhageria	(Wife of related party mentioned at a(ii) above).
	iv) Smt. Gunjan Bhageria	(Wife of related party mentioned at a(iii) above).
	v) Ms. Vrinda Bhageria	(Daughter of related party mentioned at a(i) above).
	vi) Mr. Yaduraj Bhageria	(Son of related party mentioned at a(ii) above).
	vii) Mr. Vedansh Bhageria	(Son of related party mentioned at a(iii) above).
	viii) Ms. Stuti Bhageria	(Daughter of related party mentioned at a(ii) above).
	ix) Mr. Gopal Jha	(Brother of related party mentioned at a(x) above).
	x) Ms. Hemlata Agrawal	(Sister of related party mentioned at a(i), (ii) & (iii) above).
	xi) Ms. Rama Sutwala	(Sister of related party mentioned at a(i), (ii) & (iii) above).

c)	**Enterprises owned or significantly influenced by key managerial personnel:**
	i) Purrshottam Bhaggeria Family Trust
	ii) Nouvelle Securities Pvt Ltd
	iii) SMC Yarns Pvt Ltd
	iv) Vrinda Farms Pvt. Ltd.
	v) Maan Softech Private Limited
	vi) Azimuth Investments Limited
	vii) Janus Infrastructure Projects Private Limited
	viii) Animate Infrastructure Private Limited
	ix) Hill Estate Pvt. Ltd.
	x) Fargo Estates Pvt Ltd.
	xi) Fabiola Farms & dairy products Pvt Ltd.

(II) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR :

(₹ in Lakhs)

Particulars	Nature of Relationship	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Rent paid			
Vrinda Bhageria	Relative of Key Management Personnel	18.00	15.38
Vedansh Bhageria	Relative of Key Management Personnel	12.00	10.25
Yaduraj Bhageria	Relative of Key Management Personnel	12.00	10.25
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	24.00	20.50
Maan Softech Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	21.00	17.94
Purrshottam Bhaggeria Family Trust	Enterprises owned or significantly influenced by Key Managerial Personnel	25.20	21.53
Animate Infrastructure Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	8.40	21.53
SMC Yarns Pvt Ltd	Enterprises owned or significantly influenced by Key Managerial Personnel	18.00	15.38
Security service and Maintenance paid			
Hill Estate (P) Ltd.	Enterprises owned or significantly influenced by Key Managerial Personnel	6.89	6.62
Animate Infrastructure Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	1.43	-
Security Deposit Refunded			
Animate Infrastructure Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	6.00	-
Share Application Money received (against exercise price of ESOP)			
Ashok Chauhan	Key Managerial Personnel	-	3.70
Raman Kumar Jha	Key Managerial Personnel	3.61	1.11
Money received against Tax on perquisite value of ESOP as on the date of exercise			
Ashok Chauhan	Key Managerial Personnel	8.92	3.89
Raman Kumar Jha	Key Managerial Personnel	1.80	1.86
Allotment of Equity Share on preferential basis			
Vrinda Bhageria	Relative of Key Management Personnel	65.74	-
Shefali Bhageria	Relative of Key Management Personnel	66.22	-
Gunjan Bhageria	Relative of Key Management Personnel	163.14	-
Azimuth Investments Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	1,235.87	-
Nouvelle Securities Pvt Ltd	Enterprises owned or significantly influenced by Key Managerial Personnel	1,129.03	-

(II) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR :

(₹ in Lakhs)

Particulars		Nature of Relationship	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Inter-Corporate Deposit's (ICD's)				
Nouvelle Securities Pvt Ltd	Taken	Enterprises owned or significantly influenced by Key Managerial Personnel	-	1,100.00
	Repaid		-	2,000.00
	Interest		-	10.20
Azimuth Investments Limited	Taken		-	50.00
	Repaid		-	50.00
	Interest		-	0.38
Janus Infrastructure Projects Private Limited	Taken		250.00	-
	Repaid		250.00	-
	Interest		7.40	-
Director Sitting Fees				
Brij Behari Tandon		Key Management Personnel	1.35	1.50
Swarup Chandra Parija			3.05	2.20
Suraj Prakash Setia			3.05	2.20
Pallavi Joshi Bakhru			3.45	2.35
Dividend Paid				
Madhu Sudhan Bhageria		Key Management Personnel	77.25	-
Purrshottam Bhaggeria			86.95	-
Madhav Bhageria			87.70	-
Ashok Chauhan			1.00	-
Raman Kumar Jha			0.13	-
Azimuth Investments Limited		Enterprises owned or significantly influenced by Key Managerial Personnel	69.40	-
Janus Infrastructure Projects Private Limited			56.08	-
Nouvelle Securities Pvt Ltd			45.67	-
Fargo Estates Pvt Ltd.			32.80	-
SMC Yarns Pvt Ltd			4.09	-
Fabiola Farms & dairy products Pvt Ltd.			0.93	-

(II) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR :

(₹ in Lakhs)

Particulars	Nature of Relationship	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Anu Bhageria	Relative of Key Management Personnel	23.28	-
Vrinda Bhageria		22.00	-
Gunjan Bhageria		18.81	-
Shefali Bhageria		17.34	-
Vedansh Bhageria		15.60	-
Yaduraj Bhageria		9.90	-
Stuti Bhageria		8.32	-
Hemlata Agrawal		0.44	-
Rama Sutwala		0.13	-
Managerial Remuneration			
Madhu Sudhan Bhageria	Key Management Personnel		
- Short-term employee benefits		116.24	110.22
- Post-employment benefits		0.22	0.18
- Other long-term benefits*		6.39	0.11
- Termination benefits^		-	-
- Commission		155.54	87.90
Purrshottam Bhaggeria			
- Short-term employee benefits		77.63	61.06
- Post-employment benefits		0.22	0.18
- Other long-term benefits*		5.73	0.11
- Termination benefits^		-	-
- Commission		155.54	87.90
Madhav Bhageria			
- Short-term employee benefits		75.65	57.34
- Post-employment benefits		0.22	0.18
- Other long-term benefits*		5.71	0.12
- Termination benefits^		0.92	0.88
- Commission		155.54	87.90
Ashok Chauhan			
- Short-term employee benefits		38.15	28.53
- Post-employment benefits		-	-
- Other long-term benefits*		1.63	-
- Termination benefits^		1.52	0.84

(II) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR :

(₹ in Lakhs)

Particulars	Nature of Relationship	For the Year ended March 31, 2022	For the Year ended March 31, 2021
- Share-based payment	Key Management Personnel	4.49	2.83
Anil Dutt Mohla	Key Management Personnel		
- Short-term employee benefits	Key Management Personnel	-	4.29
Raman Kumar Jha	Key Management Personnel		
- Short-term employee benefits	Key Management Personnel	11.49	10.87
- Post-employment benefits	Key Management Personnel	0.22	0.19
- Other long-term benefits*	Key Management Personnel	(0.02)	0.26
- Termination benefits^	Key Management Personnel	0.31	0.20
- Share-based payment	Key Management Personnel	1.28	0.81
Vedansh Bhageria	Relative of Key Management Personnel		
- Short-term employee benefits	Relative of Key Management Personnel	12.14	7.69
- Post-employment benefits	Relative of Key Management Personnel	0.22	0.19
- Other long-term benefits*	Relative of Key Management Personnel	0.33	0.06
- Termination benefits^	Relative of Key Management Personnel	0.40	0.18
Stuti Bhageria	Relative of Key Management Personnel		
- Short-term employee benefits	Relative of Key Management Personnel	18.80	16.42
- Post-employment benefits	Relative of Key Management Personnel	0.22	0.18
- Other long-term benefits*	Relative of Key Management Personnel	0.42	0.33
- Termination benefits^	Relative of Key Management Personnel	0.34	0.20
Gopal Jha	Relative of Key Management Personnel		
- Short-term employee benefits	Relative of Key Management Personnel	3.27	2.83
- Post-employment benefits	Relative of Key Management Personnel	0.22	0.19
- Other long-term benefits*	Relative of Key Management Personnel	(0.05)	0.07
- Termination benefits^	Relative of Key Management Personnel	0.15	0.13

* Other long term benefits (earned leaves) are taken as per the Actuarial Valuation report

^ Termination benefits (gratuity) are taken as per the Actuarial Valuation subject to the maximum limit of ₹ 20 Lakhs under the Gratuity Act 1972.

Balance outstanding

(₹ in Lakhs)

Particulars	Nature of Relationship	As at March 31, 2022	As at March 31, 2021
Managerial Remuneration (net of TDS)			
Madhu Sudhan Bhageria	Key Management Personnel	93.92	51.66
Purrshottam Bhaggeria	Key Management Personnel	94.12	55.48
Madhav Bhageria	Key Management Personnel	94.89	55.62
Other long-term benefits			
Madhu Sudhan Bhageria	Key Management Personnel	7.60	1.21
Purrshottam Bhaggeria	Key Management Personnel	6.80	1.07
Madhav Bhageria	Key Management Personnel	6.80	1.09
Ashok Chauhan	Key Management Personnel	1.97	0.34
Raman Kumar Jha	Key Management Personnel	1.31	1.33
Vedansh Bhageria	Relative of Key Management Personnel	1.30	0.97
Stuti Bhageria	Relative of Key Management Personnel	1.30	0.88
Gopal Jha	Relative of Key Management Personnel	0.22	0.27
Termination benefits			
Madhu Sudhan Bhageria	Key Management Personnel	20.00	20.00
Purrshottam Bhaggeria	Key Management Personnel	20.00	20.00
Madhav Bhageria	Key Management Personnel	20.00	19.08
Ashok Chauhan	Key Management Personnel	7.38	5.86
Raman Kumar Jha	Key Management Personnel	2.01	1.70
Vedansh Bhageria	Relative of Key Management Personnel	0.77	0.37
Stuti Bhageria	Relative of Key Management Personnel	0.67	0.33
Gopal Jha	Relative of Key Management Personnel	0.40	0.25
Share Application Money received (against exercise price of ESOP)			
Ashok Chauhan	Key Managerial Personnel	-	3.70
Raman Kumar Jha	Key Managerial Personnel	-	1.11
Money received against Tax on perquisite value of ESOP as on the date of exercise			
Raman Kumar Jha		-	1.56
Security deposit (Rent)			
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	3.60	3.60
Maan Softech Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	3.00	3.00
Purrshottam Bhaggeria Family Trust	Enterprises owned or significantly influenced by Key Managerial Personnel	3.00	3.00
Animate Infrastructure Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	-	6.00

Balance outstanding

(₹ in Lakhs)

Particulars	Nature of Relationship	As at March 31, 2022	As at March 31, 2021
Pledge of Shares			
Madhu Sudhan Bhageria Nil (previous year - 1,62,46,500 No. of shares of ₹ 2 each)		-	324.93
Purrshottam Bhaggeria Nil (previous year - 1,62,47,500 No. of shares of ₹ 2 each)		-	324.95
Madhav Bhageria Nil (previous year -1,62,47,500 No. of shares of ₹ 2 each)		-	324.95
Immovable Property mortgaged/Guarantee given against loan taken by the Company			
SMC Yarns Pvt. Ltd. [Realisable value of the property as per valuation report dated 15.03.2021 (previous year report dated 15.03.2021)]	**Enterprises owned or significantly influenced by Key Managerial Personnel**	305.00	305.00
Vrinda Bhageria #	**Relative of Key Management Personnel**	-	899.35
Madhu Sudhan Bhageria #	**Key Management Personnel**	1,263.75	1,229.16
Purrshottam Bhaggeria #		1,461.18	1,406.85
Madhav Bhageria #		1,684.61	1,583.64

Net worth as on March 31, 2021 (previous year as on March 31, 2020)

Stock options outstanding under ESOS (refer note no. 51)

S.No	Key Management Personnel	Grant Date	Exercise Price	No. of optiozns Outstanding as at March 31,2022	No. of options Outstanding as at March 31,2021
1	Ashok Chauhan	May 07, 2018	₹ 28.85	87,500	87,500
2	Raman Kumar Jha	May 07, 2018	₹ 28.85	12,500	25,000

48 LEASES : COMPANY AS A LESSEE

The weighted average incremental borrowing rate applied to lease liability is 10%.

A) LEASE RENT

The Company has various operating leases under cancellable operating lease arrangements for accommodation for employees and other assets which are renewable by mutual consent on mutually agreeable terms and range between 11 months to 10 years. The Company has given interest free refundable security deposit in accordance with the agreed terms. There are no restrictions imposed by these arrangements. There are no sub leases. The Company has not entered into any non cancellable lease.

i)The following is the movement in lease liabilities during the years ended March 31, 2022 and March 31, 2021 respectively

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening Lease liabilities	**213.50**	**359.55**
Add : Additions	-	-
Add : Finance cost accrued during the period	21.35	23.76
Less : Deletions	-	-

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Less: Changes due to modification in lease	-	121.93
Less : Payment of lease liabilities	47.88	47.88
Closing Lease liabilities	**186.97**	**213.50**
Lease liabilities included in the statement of financial position		
Current Lease Liabilities	34.57	26.53
Non-Current Lease Liabilities	152.40	186.97

ii) Maturity analysis of lease liabilities

(₹ in Lakhs)

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2022	As at March 31, 2021
Not later than one year	53.27	47.88
Later than one year and not later than five years	187.21	224.65
More than five years	-	15.83
Total undiscounted lease liabilities	**240.48**	**288.36**

iii) Amounts recognised in profit or loss

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest on lease liabilities	21.35	23.76
Expenses relating to short-term leases (rent)	376.70	181.32
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

49 EMPLOYEE BENEFITS

Refer note 2.12 for accounting policy on Employee Benefits

A DEFINED CONTRIBUTION PLANS

i. Provident Fund/Employees' Pension Fund

ii. Employees' State Insurance

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Included in contribution to Provident and Other Funds (Refer Note 38)		
Employer's contribution to Provident Fund/Employees' Pension Fund	329.74	269.31
Included in contribution to Provident and Other Funds (Refer Note 38)		
Contribution paid in respect of Employees' State Insurance Scheme	0.29	0.36

B DEFINED BENEFIT PLAN

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

(i) Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

(₹ in Lakhs)

Particulars	Defined Benefit Plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
Present value of obligation	888.60	733.78
Fair value of plan assets	-	-
(Asset)/Liability recognised in the Balance Sheet	**888.60**	**733.78**
Net liability-current (Refer Note 32)	282.04	224.10
Net liability-non-current (Refer Note 24)	606.56	509.68
	888.60	**733.78**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	Plan Assets	Plan Obligation	Total
As at April 01, 2020	**-**	**662.11**	**662.11**
Current service cost	-	94.71	94.71
Past service cost	-	-	-
Interest cost	-	40.39	40.39
Interest income	-	-	-
Return on plan assets excluding interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	16.86	16.86
Actuarial (gain)/loss arising from experience adjustments	-	(56.23)	(56.23)
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/ (settled)	-	-	-
Benefit payments	-	(24.06)	(24.06)
As at March 31, 2021	**-**	**733.78**	**733.78**
As at April 01, 2021	**-**	**733.78**	**733.78**
Current service cost	-	111.55	111.55
Past service cost	-	-	-
Interest cost	-	39.62	39.62
Interest income	-	-	-
Return on plan assets excluding interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(21.06)	(21.06)

Actuarial (gain)/loss arising from experience adjustments	-	61.55	61.55
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/ (settled)	-	-	-
Benefit payments	-	(36.84)	(36.84)
As at March 31, 2022	**-**	**888.60**	**888.60**

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

(₹ in Lakhs)

Particulars	Defined Benefit Plan- Gratuity	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Expenses recognised in the Statement of Profit and Loss for the year		
Employee Benefit Expenses :		
Current service cost	111.55	94.71
Past service cost	-	-
Finance costs :		
Interest cost	39.62	40.39
Interest income	-	-
Net impact on profit (before tax)	**151.17**	**135.10**
Recognised in other comprehensive income for the year		
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(21.06)	16.86
Actuarial (gain)/loss arising from experience adjustments	61.55	(56.23)
Return (gain)/loss on plan assets excluding interest income	-	-
Net impact on other comprehensive income (before tax)	**40.49**	**(39.37)**

(iv) Assets

There are no plan assets at the Balance Sheet date for the defined benefit obligations as the plan is unfunded.

(v) Assumptions

Particulars	Defined Benefit Plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
Financial/Economic Assumptions		
Discount rate (per annum)	6.10%	5.40%
Salary escalation rate (per annum)	7.00%	7.00%
Demographic Assumptions		
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) ULT.	Indian Assured Lives Mortality (2012-14) ULT.
Withdrawal Rates		
Ages (years)		
All ages	20.00%	20.00%

Notes:-

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government bonds as at the Balance Sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion and other relevant factors on long term basis.

(vi) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the key assumptions are:

Particulars	Defined Benefit Plan- Gratuity			
	As at March 31, 2022		As at March 31, 2021	
	Change in assumption	Change in Defined Benefit Obligation (₹ In Lakhs)	Change in assumption	Change in Defined Benefit Obligation (₹ In Lakhs)
Discount rate (per annum) - Increase	1.00%	(28.11)	1.00%	(23.80)
- Decrease	1.00%	30.46	1.00%	25.83
Salary escalation rate (per annum) - Increase	1.00%	29.89	1.00%	25.02
- Decrease	1.00%	(28.14)	1.00%	(23.51)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(vii) Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average duration of the defined benefit obligation	**5 years**	**5 years**
Expected benefit payments within next-		
I year	282.04	224.10
II year	133.05	105.67
III year	108.01	88.79
IV year	78.52	73.11
V year	65.52	52.97
thereafter	221.46	189.14

C OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

(Included as part of salaries and wages in Note 38 - Employee benefits expense) Includes long term compensated absences. (Refer Accounting policy 2.12)

50 GOVERNMENT GRANT

A. RELATED TO OR USED FOR ASSETS :

Deferred Revenue comprises Government grants : (Refer Note 2.14)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening Balance	**2,600.22**	**2,725.09**
Add:- Grant received during the year	-	-
Less:- Grant released to Statement of Profit & Loss	124.87	124.87
Closing Balance	**2,475.35**	**2,600.22**
Current (refer note 31)	124.87	124.87
Non-Current (refer note 26)	2,350.48	2,475.35

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. The Grant does not include refundable duties & taxes.

B. RELATED TO AN EXPENSE ITEM :

i) Grant on account of interest subvention scheme of the Central Government amounting to ₹ 231.84 Lakhs (previous year ₹ 268.70 Lakhs) recognised during the year has been deducted from the related interest expense.

ii) Grant on account of interest subsidy under Gujarat Textile Policy - 2012 amounting to ₹ 55.65 Lakhs {previous year ₹ 173.21 Lakhs in accordance with the accounting policy (refer note 2.14)} has been recognised during the year and deducted from the related interest expense.

51 SHARE BASED PAYMENTS

(I) EMPLOYEE STOCK OPTION SCHEME (ESOS) - TRANCHE 1

(Refer Note No 2.13 of accounting policy)

The Nomination and Remuneration Committee of the Company had at its meeting held on February 12, 2016, approved grant of 9,50,000 (face value of ₹ 10/- per share) [subsequently sub-divided into 47,50,000 shares of face value of ₹ 2/- per share] stock options ("options") to the eligible employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015), at an exercise price of ₹ 37 per option (being the closing price at BSE on February 11, 2016 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

A. Vesting period

On completion of 3 Years from the date of grant of options for 60%

On completion of 4 Years from the date of grant of options for 20%

On completion of 5 Years from the date of grant of options for remaining 20%

B. Exercise period

The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

The details of the ESOS 2015 plan are:

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	Number of Options	Weighted average Exercise Price (₹)	Number of Options	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	20,000	7.40	8,75,270	7.40
Granted during the year	-	-	-	-
Exercised during the year	20,000	7.40	8,42,770	7.40
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	12,500	7.40
Outstanding at the end of the year	-	-	20,000	7.40
Exercisable at the end of the year	-	-	20,000	7.40
Weighted average fair value of options on the date of grant per share	₹ 2.32		₹ 2.32	
The number of shares granted has face value of	₹ 2.00 each		₹ 2.00 each	
The weighted average contractual life of the options outstanding is	-		-	
The weighted average share price during the period on exercise of options	₹ 68.80		₹ 57.40	

The following table list the inputs to the models used for ESOS plan for the years ended March 31, 2022 and March 31, 2021 respectively :

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Dividend yield (%)	-	0.00%
Expected volatility (%)	-	61 to 65
Risk–free interest rate (%)	-	7.524%
Weighted Average Share Price (₹)	-	7.40
Exercise Price (₹)	-	7.40
Expected remaining life of options granted in year	-	-
Model used	-	Black Scholes

(II) EMPLOYEE STOCK OPTION SCHEME (ESOS) - TRANCHE 2

(Refer Note No 2.13 of accounting policy)

The Nomination and Remuneration Committee of the Company had at its meeting held on May 07, 2018, approved grant of 4,30,000 (face value of ₹ 10/- per share) [subsequently sub-divided into 21,50,000 shares of face value of ₹ 2/- per share] stock options ("options") to the eligible employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015), at an exercise price of ₹ 211 per option (being the closing price at BSE on May 04, 2018 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The Nomination and Remuneration Committee of the Company had at its meeting held on August 28, 2020 approved modification / re-pricing of outstanding 19,95,000 Stock Options (of face value of ₹ 2/- each) granted in 2nd Tranche under Filatex Employee Stock Option Scheme, 2015 (hereinafter referred to as "Filatex ESOS, 2015" or "the Scheme"), exercisable into not more than 19,95,000 fully paid-up equity shares of face value of ₹ 2/- (Rupees Two) each from Exercise price of ₹ 42.20 per option to ₹ 28.85 per option.

The terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

A. Vesting period

On completion of 3 Years from the date of grant of options for 50%

On completion of 4 Years from the date of grant of options for 25%

On completion of 5 Years from the date of grant of options for remaining 25%

B. Exercise period

The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

The details of the ESOS 2015 plan are:

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	Number of Options	Weighted average Exercise Price (₹)	Number of Options	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	18,65,000	28.85	19,95,000	42.20
Granted during the year	-	-	-	-
Exercised during the year	8,42,750	28.85	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	20,000	-	1,30,000	28.85
Outstanding at the end of the year	10,02,250	28.85	18,65,000	28.85
Exercisable at the end of the year	89,750	28.85	-	-
Weighted average fair value of options on the date of grant per share	₹ 10.44		₹ 10.44	
Weighted average incremental fair value per share as on the date of Modification of option	₹ 3.52		₹ 3.52	
The number of shares granted has face value of	₹ 2.00 each		₹ 2.00 each	
The weighted average contractual life of the options outstanding is	0.60 years		1.44 years	
The weighted average share price during the period on exercise of options	₹ 100.30		-	

The following table list the inputs to the models used for ESOS plan as on date of modification for incremental fair value measurement for the year ended March 31, 2022 and March 31, 2021 respectively :

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Dividend yield (%)	0.00%	0.00%
Expected volatility (%)	61 to 67	61 to 67
Risk–free interest rate (%)	5.859%	5.859%
Weighted Average Share Price (₹)	28.85	28.85
Exercise Price (₹)	28.85	28.85
Expected remaining life of options granted in year	2	3
Model used	Black Scholes	Black Scholes

The expected life of the Stock option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year ended, the Company recorded an employee compensation expense of ₹ 51.45 Lakhs (Previous year ₹ 83.11 Lakhs including ₹ 32.62 Lakhs due to modification) in the Statement of Profit & Loss.

52 PARTICULARS OF INVESTMENT MADE DURING THE YEAR AS MANDATED BY THE PROVISIONS OF THE SECTION 186 OF THE COMPANIES ACT, 2013:

A)The Company has not given any loan or provided any Guarantee during the Financial year March 31, 2022 under Section 186 of the Companies Act, 2013

B) PARTICULARS OF INVESTMENTS MADE:

(₹ in Lakhs)

S.No	Name of the Investee	Purchased During the Year		Outstanding Balance	
		2021-22	2020-21	As at March 31, 2022	As at March 31, 2021
1	Bhadreshwar Vidyut Private Limited [For purchase of Electricity]	-	1.26	-	4.54

The details of the Investment of the Company are given in note 6

53 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES

I FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION, FAIR VALUES AND FAIR VALUE HIERARCHY :

The category wise details as to the carrying value and fair value of the Company's financial assets and financial liabilities including their levels in the fair value hierarchy are as follows:

(₹ in Lakhs)

Particulars	Levels	Carrying values		Fair values	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1. Financial assets at					
a. Fair Value through profit & loss					
Unquoted Equity Investments	Level 3	-	4.54	-	4.54
b. Fair value through other comprehensive income		-	-	-	-
c. Amortised cost					
Trade receivables	Level 2	14,505.33	12,163.89	14,505.33	12,163.89
Cash & cash equivalents	Level 1	90.00	1,152.79	90.00	1,152.79
Bank balances other than Cash & cash equivalents	Level 1	2,793.45	2,456.25	2,793.45	2,456.25
Loans	Level 2	47.22	42.40	47.22	42.40
Other financial assets	Level 2	2,276.38	1,195.43	2,276.38	1,195.43
2. Financial liabilities at					
a. Fair Value through profit & loss					
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	64.84	172.26	64.84	172.26
b. Fair value through other comprehensive income		-	-	-	-

(₹ in Lakhs)

Particulars	Levels	Carrying values		Fair values	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
c. Amortised cost					
Borrowings - floating rate	Level 2	35,648.76	58,609.15	35,648.76	58,609.15
Lease Liabilities	Level 2	186.97	213.50	186.97	213.50
Trade payables	Level 2	31,755.09	27,424.16	31,755.09	27,424.16
Other financial liabilities	Level 2	6,875.13	5,875.80	6,875.13	5,875.80

Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021. The following methods / assumptions were used to estimate the fair values:

1 The carrying value of Cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

2 The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.

3 **Derivative financial instruments -** The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date using valuation techniques with inputs that are directly or indirectly observable in the marketplace. The derivatives are entered into with the banks/ counterparties with investment grade credit ratings.

4 Description of significant unobservable inputs to valuation (Level 3) :
The following shows the valuation techniques and inputs used for Non-current financial instruments that are not carried at fair value :

a. Security deposits given against lease and lease liabilities : Discounted cash flow method using appropriate discounting rate.

b. Non-current Financial assets/liabilities other than above : Expected Cash Flow for the financial instruments

5 Unquoted equity instruments : where most recent information to measure fair value is insufficient and where the fair value of these investments cannot be reliably measured, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

6 There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year and no transfer into and out of Level 3 fair value measurements.

II FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

The Company's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.

a) 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, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts. The Company also holds security deposits for outstanding trade receivables which mitigate the credit risk to some extent.

An impairment analysis is performed at each reporting date on an individual basis for major customers and follows simplified approach for recognition of impairment loss allowance. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

In respect of financial guarantees provided by the Company to banks & financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

The movement in the expected credit loss allowance during the year is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	79.54	431.51
Impairment loss recognised	5.00	-
Bad Debts recognised during the year	-	101.89
Amount written off as Bad debts during the year	-	(453.86)
Closing Balance	**84.54**	**79.54**

Also refer note 11

The credit risk on liquid funds such as banks in current and deposit accounts and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

b) 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.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at March 31, 2022						
Borrowings and interest thereon *	35,648.76	7,183.06	17,224.83	10,885.34	6,782.92	42,076.15
Lease Liabilities	186.97	53.27	110.12	77.09	-	240.48
Trade payables	31,755.09	31,755.09	-	-	-	31,755.09

Other financial liabilities	6,875.13	6,619.55	255.58	-	-	6,875.13
Total Non-Derivative Liabilities	**74,465.95**	**45,610.97**	**17,590.53**	**10,962.43**	**6,782.92**	**80,946.85**
Derivatives						
Other Financial Liabilities	64.84	64.84	-	-	-	64.84
Total Derivative Liabilities	**64.84**	**64.84**	**-**	**-**	**-**	**64.84**

(₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at March 31, 2021						
Borrowings and interest thereon *	58,609.15	8,768.30	27,178.71	20,682.75	18,058.44	74,688.20
Lease Liabilities	213.50	47.88	108.33	116.32	15.83	288.36
Trade payables	27,424.16	27,424.16	-	-	-	27,424.16
Other financial liabilities	5,875.80	5,651.30	224.50	-	-	5,875.80
Total Non-Derivative Liabilities	**92,122.61**	**41,891.64**	**27,511.54**	**20,799.07**	**18,074.27**	**1,08,276.52**
Derivatives						
Other Financial Liabilities	172.26	172.26	-	-	-	172.26
Total Derivative Liabilities	**172.26**	**172.26**	**-**	**-**	**-**	**172.26**

* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company, if any. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period. Interest accrued has been included in other financial liabilities.

Financing facilities :

The Company has access to financing facilities as described in below Note. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured bank loan facilities with various maturity dates through to March 31, 2022 and which may be extended by mutual agreement:		
- amount used	35,286.18	53,682.21
- amount unused	4,617.35	2,272.59
	39,903.53	**55,954.80**
Unsecured loans from bodies corporate		
- amount used	-	3,658.00
- amount unused	-	342.00
	-	**4,000.00**
Secured bank overdraft facility :		
- amount used	362.58	1,268.94
- amount unused	19,637.42	18,731.06
	20,000.00	**20,000.00**

c) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. 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 loans and borrowings, deposits, FVTPL investments, trade payables, trade receivables, derivative financial instruments and other financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities.

i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's foreign exchange risk arises from its foreign currency borrowings and trade receivables and trade payables denominated in foreign currencies. The results of the Company's operations can be affected as the rupee appreciates/ depreciates against these currencies. The Company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures The Company has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed below):

Foreign Currency Liabilities	As at March 31, 2022		As at March 31, 2021	
	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)
Currency				
Borrowings				
Euro	2,28,31,432	19,329.07	2,72,43,569	23,456.44
Interest payable				
USD	8,892	6.74	32,733	24.06
Euro	22,431	18.99	26,013	22.40
Trade Payables & other liabilities				
JPY	46,45,199	2,890.71	2,50,90,899	166.50
USD	65,44,041	4,960.85	59,32,295	4,360.52
Euro	-	-	2,59,275	223.23

Foreign Currency Liabilities	As at March 31, 2022		As at March 31, 2021	
	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)
Currency				
Trade Receivables				
USD	31,77,166	2,408.52	58,50,767	4,300.59
Euro	-	-	30,082	25.90

Foreign Currency Liabilities	As at March 31, 2022		As at March 31, 2021	
	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)
Other Receivables				
GPB	5,617	5.59	-	-
Euro	5,41,819	458.70	-	-
CHF	28,460	23.41	-	-
Balance in EEFC Account				
USD	94,582	71.70	47,549	34.95

a. Foreign currency sensitivity analysis :

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD, Euro, JPY, CHF and GBP with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Effect on Profit before tax Gain/(Loss)		Effect on Profit before tax Gain/(Loss)	
5% movement	Decrease in exchange rate	Increase in exchange rate	Decrease in exchange rate	Increase in exchange rate
On Foreign Currency Liability (net of Foreign Currency Assets) :				
JPY	144.54	(144.54)	8.33	(8.33)
USD	124.37	(124.37)	2.45	(2.45)
Euro	944.47	(944.47)	1,183.81	(1,183.81)
GBP	(0.28)	0.28	-	-
CHF	(1.17)	1.17	-	-

b. Derivative financial instruments :

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts:

Outstanding Contracts	Buy/sell	As at March 31, 2022			As at March 31, 2021		
Other Derivatives		Amount in Foreign currency	Nominal Value	Fair Value	Amount in Foreign currency	Nominal Value	Fair Value
			₹ In Lakhs	₹ In Lakhs		₹ In Lakhs	₹ In Lakhs
Forward contracts							
in USD	Buy	2,12,03,869	16,001.93	16,074.04	2,39,04,655	17,500.00	17,571.05

ii) 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's exposure 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's investments in term deposits (i.e., margin money) with banks are for short durations, and therefore do not expose The Company to significant interest rates risk.

a. Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate instruments :		
Borrowings	35,648.76	58,609.15

b. Interest rate sensitivity :

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables, in particular foreign currency exchange rates, were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

(₹ in Lakhs)

Particulars	Impact on Profit before Tax	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Floating rate instruments :		
50 basis points increase	(178.24)	(293.05)
50 basis points decrease	178.24	293.05

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

iii) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, listed or unlisted equity shares, government securities and fixed deposits. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

III CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital and to maximise shareholders value. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt	35,648.76	58,609.15
Lease Liabilities	186.97	213.50
Cash and Cash equivalents	90.00	1,152.79
Net debt	**35,745.73**	**57,669.86**
Total Equity	1,08,545.84	76,246.60
Capital and net debt	1,44,291.57	1,33,916.46
Gearing Ratio (%)	**24.77%**	**43.06%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

IV CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES AS PER IND AS 7 - STATEMENT OF CASH FLOWS

The major changes in the Company's liabilities arising from financing activities are due to financing cash flows and accrual of financial liabilities. The Company did not acquire any liabilities arising from financing activities during business combinations effected in the current period or comparative period.

The Company disclosed information about its interest-bearing loans and borrowings. There are no obligations under finance lease and hire purchase contracts.

Reconciliation of Liabilities from financial activities for the year ended March 31, 2022

(₹ in Lakhs)

	April 01, 2021 (opening balance of current year)	Cash Flows	Non-cash changes		March 31, 2022 (closing balance of current year)
			Foreign exchange movement	Others	
i. Current interest bearing loans and borrowings (including current maturities of long term borrowings)	5,009.37	(4,646.79)	-	4,917.76	5,280.34
ii. Non-current interest-bearing loans and borrowings	53,599.78	(18,036.84)	(276.76)	(4,917.76)	30,368.42
iii. Interest accrued on borrowings *	213.68	(1,734.10)	-	1,677.89	157.47
iv. Lease Liabilities	213.50	(47.88)		21.35	186.97
Total liabilities from financing activities	**58,822.83**	**(24,417.73)**	**(276.76)**	**1,677.89**	**35,806.23**

* Represents Interest expenses including interest capitalised as per Ind AS 23 amounting ₹ 362.20 Lakhs.

Reconciliation of Liabilities from financial activities for the year ended March 31, 2021

(₹ in Lakhs)

	April 01, 2021 (opening balance of current year)	Cash Flows	Non-cash changes		March 31, 2022 (closing balance of current year)
			Foreign exchange movement	Others	
i. Current interest bearing loans and borrowings (including current maturities of long term borrowings)	10,581.63	(9,312.69)	-	3,740.43	5,009.37
ii. Non-current interest-bearing loans and borrowings	61,144.77	(4,877.37)	1,072.81	(3,740.43)	53,599.78
iii. Interest accrued on borrowings ^	431.07	(3,377.03)	-	3,159.64	213.68
iv. Lease Liabilities	359.55	(47.88)		(98.17)	213.50
Total liabilities from financing activities	**72,517.02**	**(17,614.97)**	**1,072.81**	**3,061.47**	**59,036.33**

^ Represents Interest expenses including interest capitalised as per Ind AS 23 amounting ₹ 543.86 Lakhs.

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time, and the effect of accrued but not yet paid interest on interest bearing loans and borrowings.

54 RATIO ANALYSIS AND ITS ELEMENTS

(₹ in Lakhs)

S. No	Ratio	Numerator	Denominator	UOM	As at March 31, 2022	As at March 31, 2021	% Change	Explanation for change in the ratio by more than 25% as compared to the previous year
1	Current Ratio	Current Assets = Total Current Assets + Assets held for sale	Current Liabilities = Total Current Liabilities + Advance against Asset held for sale	Times	1.59	1.34	18.66%	
2	Debt Equity Ratio	Total Debt = Non Current Borrowings + Current Borrowings	Shareholders Equity = Equity Share capital + Other Equity	Times	0.33	0.77	-57.14%	Long term debt is significantly reduced during the year
3	Debt Service Coverage Ratio	Earnings available for Debt Service = Net profit after Taxes + Depreciation + Interest expense + exceptional Expense/ (Income)	Debt Service = Interest payments + Principal Repayments within the year	Times	6.67	2.75	142.55%	Long term debt is significantly reduced during the year, hence the improvement in ratio
4	Return on Equity (ROE)	Net profits after Taxes	Average Shareholder's Equity (Share Capital + Other Equity)	%	32.76%	24.43%	34.10%	Net profit has increased on better profitability

54 RATIO ANALYSIS AND ITS ELEMENTS

(₹ in Lakhs)

S. No	Ratio	Numerator	Denominator	UOM	As at March 31, 2022	As at March 31, 2021	% Change	Explanation for change in the ratio by more than 25% as compared to the previous year
5	Inventory Turnover Ratio	Sales = Revenue from Operations	Average Inventory	Times	12.15	10.45	16.27%	
6	Debtors Turnover Ratio	Net Sales = Revenue from Operations	Average Accounts Receivables	Times	28.71	18.54	54.85%	Sales of the company have increased by about 72%, hence the increase in Debtor Turnover ratio.
7	Trade Payables Turnover Ratio	Net Purchases = Closing Stock + Cost of Material consumed + Stock of Stock in trade + Consumption of Stores and Spares - Opening Stock	Average Trade Payables	Times	10.14	7.28	39.29%	Purchases of the company had increased during the year, as the sales of the Company grew by around 72%.
8	Net Capital Turnover Ratio	Net Sales = Revenue from Operations	Working Capital = Total Current Assets - Total Current Liabilities	Times	14.34	16.78	-14.54%	
9	Net Profit Ratio	Net Profit after Taxes	Net Sales = Revenue from Operations	%	7.91%	7.45%	6.17%	
10	Return on Capital Employed (ROCE)	Earning Before Interest and Taxes = Profit Before Taxes + Finance Cost	Capital Employed = Tangible Net worth + Total Debt + Deferred Tax Liability	%	31.16%	21.01%	48.31%	Higher EBIT margins because of better profitability
11	Return on Investment	Income generated from invested funds	Average Invested funds	%	4.02%	3.31%	21.45%	

55 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

1 **Details of Benami property:** No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

2 **Transaction with Struck Off Companies:** The Company do not have any transaction with companies struck off.

3 **Charges with Registrar of Companies:** The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4 **Details of crypto currency or virtual currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

5 **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6 **Compliance with approved scheme(s) of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

7 **Valuation of PPE, Intangible Assets and Investment property:** The Company has not revalued its property, plant & equipment (including Right Of Use Assets) or intangible assets or both during the current or previous year.

8 **Loand/advances to specified persons:** There is no grant of loans/advances in the nature of loans repayable on demand.

9 **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account. However, the Income-Tax Department had conducted a search under section 132 of the Income-Tax Act, 1961 at the business premises of the Company on September 01, 2021. The Company has made necessary disclosures to the stock exchanges in accordance with Regulation 30 of the SEBI (LODR) Regulations, 2015 (as amended). As on the date of signing the financial statements, the Company has not received any tax demand/claim from the Income-tax department.

56 RESEARCH AND DEVELOPMENT:

The revenue expenditure of ₹ 60.63 Lakhs (Previous Year: ₹ 28.95 Lakhs) and capital expenditure for acquisition/construction of assets of ₹ 359.69 Lakhs (Previous Year: ₹ 15.53 Lakhs) on Research & Development at Dahej plant are charged to the respective heads of account.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(i) Revenue Expenditure		
Employee benefits expense	32.32	19.28
Professional fees	19.21	9.36
Material Purchased	5.80	0.31
Electricity and Water expenses	3.30	
(ii) Capital Expenditure		
on Capital Work in progress (refer note 3A)	335.19	15.53
on Intangible assets under development (refer note 5)	24.50	-
Total	**420.32**	**44.48**

The above figures includes the amounts for Research and Development (R&D) centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (Consonance with the DSIR guidelines for in-house R&D centre will be evaluated at the time of filling the return with DSIR).

57 The Board of Directors at its meeting held on March 29, 2022 had approved a proposal to buy-back 42,50,000 equity shares of the Company for an aggregate amount not exceeding ₹ 5,950 Lakhs being 1.89% of the total paid up equity share capital at ₹ 140 per equity share.

58 CAPITALISATION OF EXPENDITURE

The Company has capitalised the following expenses of revenue nature to the cost of capital work in progress (CWIP)/ Property, Plant & Equipment (PPE) comprising Power Plant and POY Winders on the basis of ready for intended use. Consequently the expenses disclosed under the respective notes are net of amounts capitalised by The Company. The break-up of expenditure is as follows:

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Raw material consumed	-	-
Other overheads/material consumed	-	-
Power & Fuel	192.14	275.51
Sub total (A)	**192.14**	**275.51**
Payments and benefits to Employee		
Salaries & wages	114.55	117.33
Sub total (B)	**114.55**	**117.33**
Operating expenses :		
Insurance expenses	1.85	12.94
Legal and professional	27.15	38.82
General expenses	134.98	37.37
Sub total (C)	**163.98**	**89.13**

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Finance costs		
Interest on term loan*	362.20	545.86
Bank Charges	11.89	37.74
Sub total (D)	**374.09**	**583.60**
Less: Sale/ Net realisable value of goods produced during the trial run (E)	**-**	**-**
Total amount (A)+(B)+(C)+(D)-(E)	**844.76**	**1,065.57**
Add: Opening balance	1,189.34	153.24
Less: Amount capitalised to Property, Plant & Equipment	1,934.80	29.47
Balance to be carried forward	**99.30**	**1,189.34**

* Interest comprises of

1 ₹ 257.47 Lakhs (Previous year ₹ 302.36 Lakhs) on specific borrowings taken for Plant & machinery

2 ₹ 104.73 Lakhs (Previous year ₹ 243.50 Lakhs) on general borrowings taken for other qualifying assets @ 9% p.a

59 Exceptional Items represents profit on sale of Land and Building amounting to ₹ 225.46 lakhs situated at Nani Tambadi, Valsad, Gujarat and loss on sale of chiller plant amounting to ₹ 61.37 Lakhs during the year ended March 31, 2022.

60 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, historical experience and other factors, including expectations of future events that are believed to be reasonable, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to :

Leases :

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

B. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

(i) Impairment of trade receivables:

The impairment provisions for trade receivables are based on based on lifetime expected credit loss based on a provision matrix. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

The Company uses judgment in making assumptions about risk of default and expected loss rates and selecting the inputs to the impairments calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Fair value measurements of financial instruments:

In estimating the fair value of a financial asset or a financial liability, the Company uses market-observable data to the extent it is available. Where active market quotes are not available, the management applies valuation techniques to determine the fair value of financial instruments. This involves developing estimates, assumptions and judgements consistent with how market participants would price the instrument.

(iii) Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation viz. gratuity and other long-term employee benefit obligation viz. long term compensated absences to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

(iv) Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. These estimates could change substantially over time as new facts emerge and each dispute progresses. Information about such litigations is provided in notes to the financial statements.

(v) Income Taxes

Deferred tax assets are recognised for unused tax losses and unabsorbed depreciation carry forwards to the extent that it is probable that taxable profit will be available against which the losses/ depreciation can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(vi) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes to the financial statements.

(vii) Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policies, the Company determines and also reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Such lives are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

61 The figures for the previous years have been regrouped and/or reclassified wherever necessary to conform with the current year presentation.

As per our report of even date

for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

SACHIN KUMAR
Partner
Membership No. 503204

for R.N. MARWAH & CO LLP
Firm Registration No. 001211N/N500019
Chartered Accountants

SUNIL NARWAL
Partner
Membership No. 511190

Date : May 27, 2022

For and on behalf of the Board of Directors of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Corporate Information

BOARD OF DIRECTORS

Name	Designation	DIN
Mr. Madhu Sudhan Bhageria	Chairman & Managing Director	00021934
Mr. Purrshottam Bhaggeria	Joint Managing Director	00017938
Mr. Madhav Bhageria	Joint Managing Director & CFO	00021953
Mr. Ashok Chauhan	Executive Director	00253049
Mr. Brij Behari Tandon*	Independent Director	00740511
Mr. Swarup Chandra Parija	Independent Director	00363608
Mr. Suraj Parkash Setia	Independent Director	00255049
Mrs. Pallavi Joshi Bakhru	Independent Director	01526618
Mr. Rajender Mohan Malla#	Independent Director	00136657

*Resigned on 27th May 2022
#Appointed on 27th July 2022

COMPANY SECRETARY

Mr. Raman Kumar Jha

BANKERS

Union Bank of India
Punjab National Bank
Bank of Baroda
IndusInd Bank

AUDITORS

1. Arun K Gupta & Associates
D-58, East of Kailash
New Delhi - 110 025

2. R N Marwah & Co LLP
4/80 Janpath Connaught Place,
New Delhi - 110 001

CORPORATE OFFICE

BHAGERIA HOUSE
43, Community Centre, New Friends Colony,
New Delhi - 110 025
Website: filatex.com
CIN: L17119DN1990PLC000091

WORKS

1. S. No. 274, Demni Road,
Dadra - 396 193
(U.T. of Dadra & Nagar Haveli)

2. Plot No. D-2/6, Jolva Village
PCPIR, Dahej-2 Industrial Estate GIDC,
Distt. Bharuch, Gujarat – 392 130

REGISTRAR AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110020
Tel : 011-41406148
Fax : 011-41709881
Email: admin@mcsregistrars.com

REGISTERED OFFICE

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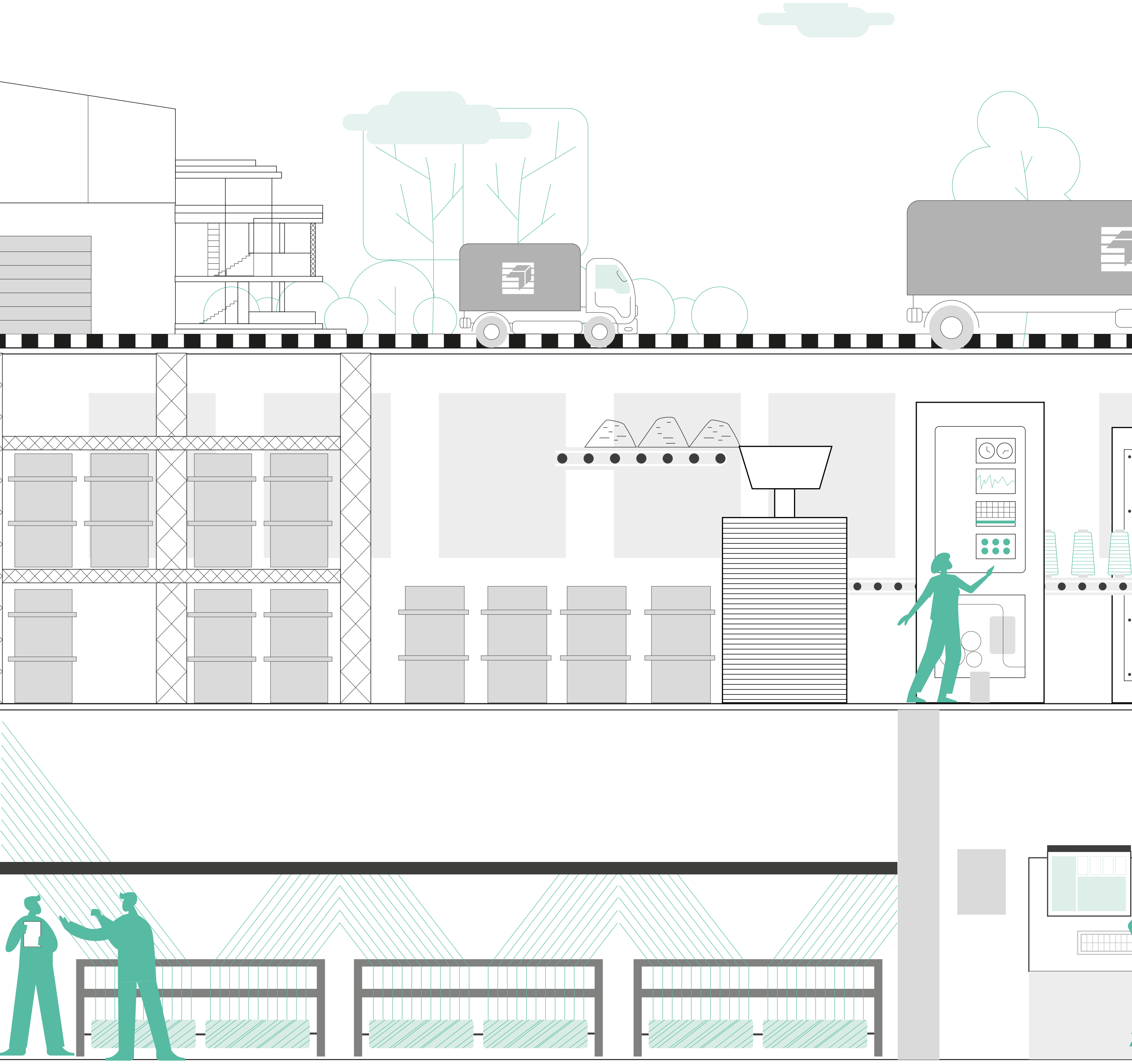
(U.T. of Dadra & Nagar Haveli)
Ph: 260-2668343/8510
Fax: 260-2668344
Email: fildadra@filatex.com



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