



RISING TO THE CHALLENGES

Filatex India
Limited

Annual Report
2019-20



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₹2,782.1 CRORES

Revenue from Operations
in FY20

18.80%

GROWTH IN VOLUMES
in FY20

₹222.1 CRORES

EBITDA in FY20

₹121.5 CRORES

PAT in FY20



Late Sh. Ram Avtar Bhageria
Founder Chairman

His **ethics and principles**
continue to inspire us.

Diligent planning and perseverance in execution

CORPORATE PORTRAIT

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 and adds extra mileage 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 modern German machines.

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.

Driven 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.

Challenges and changes are inevitable and unpredictable. What can be controlled is how we react to, manage and overcome them.

1,050

TONNES PER DAY
production capacity

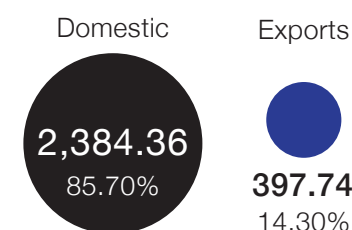
30+

YEARS OF EXPERIENCE
in manufacturing yarn

3,83,000

TONNES PER ANNUM
production capacity

REVENUE SPLIT



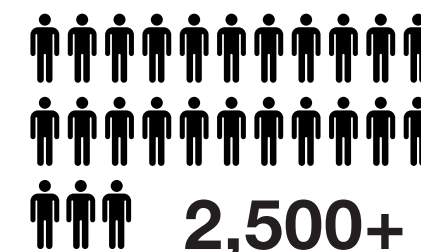
Total Revenue ₹ 2,782.1 cr
(₹ in Crores)

21.51%

3 year standalone revenue
CAGR

2

STATE OF THE ART
MANUFACTURING UNITS



TEAM MEMBERS
embracing culture of
integrity and delivering
value

Exporting to

45+

COUNTRIES ACROSS

5

CONTINENTS

Integrated
manufacturing operations

Our Vision

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

Our Mission

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

Our Values

1. Integrity and honesty in business
2. Customer satisfaction and delight
3. Encourage creativity and innovation to drive people, product and processes
4. To promote safe work practices
5. To protect the environment and community

18.69%

3 year standalone Operating
profits (EBITDA) CAGR

43.40%

3 year standalone PAT CAGR

A-

Latest credit rating

From 500 to 383,000 Tonnes Per Annum

OUR JOURNEY

1990

Incorporated
in August 1990

1994

Commenced Production of **Mono
Filament yarns** at Noida

1996

Diversified into Speciality **Polyester Filaments Yarn** at Dadra (U.T. Dadra and Nagar Haveli) with the production of **POY and Textured Yarns**

1998

Started production of **Polypropylene (PP), Multi-filaments Dope Dyed Yarn** and added **more Polyester POY** at Dadra

2008

Commenced production of **Fully Drwan Yarn (FDY)** in Dadra using **latest machine** from World leader **Barmag, Germany**

2012

Setup a green field continuous polymerization plant with state of the art technology and a capacity of 600 TPD - 250 TPD of POY and 250 TPD of Polyester Chips at **Dahej, Gujarat**

2016

Added spinning of 115 TPD of Fully Drawn Yarn (FDY) in March and 200 TPD of **Draw Textured Yarn (DTY)** at Dahej, Gujarat

2018

Commissioned **Bright Polymerization Plant** with a capacity of 300 TPD for spinning, 190 TPD of **FDY**, 25 TPD of **POY** and 85 TPD of **Bright chips** at Dahej, Gujarat

2019

Total Polymerization capacity enhanced to **1,050 TPD** from 900 TPD in Q4 FY19 at Dahej. POY expansion commenced in Q2FY20

2020

Commencement of **DTY expansion expected in Q2FY21**. Work towards power plant project started in Dahej

From the chairman's desk

LETTER TO SHAREHOLDERS

“ The year under review had a decent volume and profit growth despite the macro-environment headwinds and general slowdown of the economy, not just in India but across the globe. ”

DEAR SHAREHOLDERS,

It gives me immense pleasure to present to you the Annual Report for 2019-20. To begin with, I hope every one of you and your family is well and healthy. In these challenging times, it is more important than ever before to remain vigilant in safeguarding the health and well-being of the team while reliably supplying products to our customers. The year under review had a decent volume and profit growth despite the macro-environment headwinds and general slowdown of the economy, not just in India but across the globe.

The Year That Was

Amidst a tough operating environment, we reported revenues of Rs.2,782 crores as compared to 2,874 crores in the previous year. EBITDA for the year stood at Rs. 222.13 crores as compared to 216.51 crores in FY 2018-19. The net profit in FY 2019-20 stands at Rs. 121.48 crores as compared to Rs. 84.85 crores in the previous year, a growth of 43.2%. During this financial year we touched a volume of 3,32,185 tons as compared to last year at 2,79,595 tons. The production volumes would have been higher but for loss of 8 days production due to the sudden national lockdown. In our yarn production, we achieved a capacity utilization factor of 95%.

During this financial year, we have managed to keep our capacity utilization high and have registered growth in volumes (YoY). There is a slight drop in the top line which is not a cause of worry as product prices, which have a direct linkage to crude prices, have been falling every quarter



COVID-19



FOCUS ON
survival



FOLLOWING
stringent hygiene measures



STRIVING FOR MAXIMUM
capacity utilisation

in line with drop in raw material prices. Though generally the delta margins are protected, the sluggishness of the market's response leads to squeezed margins and inventory piles up in downward price trends of raw materials. The value addition has a small decline due to subdued demand amongst downstream users.

During the last financial year in India, the slow down effect prevailed across most of the industry segments. The unemployment numbers continued to rise. Growth in domestic consumption was down. Every company responded to this slow down in a different manner. Our strategy has been increasing our production volumes with consistent quality. In the textile segment, the upheaval, for several quarters, has been quite strong and highly visible in numbers, especially exports which continue to decline. Trade imbalance between US & China continues to affect domestic markets in India as it has led to a lot of import of Chinese yarn, fabric, & apparels. Duty free access of garments from Bangladesh & Sri Lanka has also paved

GOVERNMENT POLICIES



Abolishment of anti dumping duty on PTA



Government's vision of Aatma Nirbhar Bharat



Industry's long-pending plea for correction of inverted duty

the path for Chinese fabrics entering the domestic market.

Coping Up with COVID-19

While the economy as a whole and the textile sector specifically, was trying to cope up with the sluggishness, a major catastrophic event was witnessed all over the world in the form of the coronavirus pandemic which spread rapidly across the globe. The Government of India, after having witnessed the havoc caused in Europe and USA, ordered a complete lockdown of all activities except bare essential services from 24th March onwards. India was not alone in taking such a drastic decision. Due to this, we lost around 8 days of production in the financial year under consideration.

Almost all countries responded to the Covid-19 pandemic by way of complete lockdown preventing movement of people, goods and services except bare essentials. Complying with the government's order, we had to shut down our plants for around nine weeks.

ROAD AHEAD



Focus on products with niche properties

30 MW

Setting up 30 MW captive power plant



FOCUSING ON
recycling of polyester

We restarted partial operations in our process plant from 21st of May 2020, however, continuation of lockdown, containment zones, withdrawal of public transport and sealing of interstate borders presented major challenges. We strongly believe that there is no unique strategy in tough times except for hard work and perseverance. Our primary focus during these difficult times was on 'survival'. The first step was to ensure the well-being of our employees and their families. Returning to work was the second major step which involved "Work from home" as well as flexible timings for those whose presence was necessary for a few hours. Strict hygiene regulations have been implemented at the workplace along with social distancing measures. Our next aim is to reach optimum capacity utilization levels.

Government Policies

The Indian polyester industry, for last six years, has been at a distinct cost disadvantage in global competitiveness on account of Anti-Dumping Duty on key raw material

“ All equipment and auxiliaries have been ordered after completing basic engineering and design, and we expect the power project to come on stream by April 2021. Upon completion of this project the company estimates 45-50 crores of annual savings in its operating costs. ”

i.e. PTA. Through tireless efforts of Industry representatives and some vigorous initiative by the Textile ministry, the additional anti-dumping duty on PTA was abolished by the Ministry of Finance in the budget announced on 1st February 2020 .

The polyester industry still continues to suffer on account of an inverted GST structure – higher rate of 18% on raw material & 12% on finished products like yarn & fibre and going forward 5% on fabrics and garments. We understand that the Govt. of India is in the process of correcting the inverted duty structure. This will ease out the financial stress of the polyester manufacturers at no loss of revenue to the Government.

Honourable Prime Minister’s clarion call of “Atmanirbhar” as a development strategy to reboot Indian economy has touched an emotional chord amongst all. This is not about just import substitution but building manufacturing capacities for global markets. The textiles sector, as a whole, is quite self-reliant in terms of raw materials, skill sets, manpower and not to forget a well-established domestic market. Several experts and advisors have identified stagnating factors such as lack of scales, bias towards cotton, inadequate support to MSMEs, preferential trade agreements etc. The Government’s blueprint enumerating policy initiative is likely to address all these issues as “Atmanirbhar” vision moves on to the mission stage. Government has recognized the importance of the textiles sector in job creation and

importance of man-made fibres in textiles fibre basket.

The Road Ahead

We entered the year 2020 in a period of uncertainty related to macro factors that were beyond our control. However, we remained focused on what we can control. We added incremental texturizing capacities in the last quarter of the financial year. This will open up opportunities in the domestic as well as the exports market. We were felicitated for third best performance in exports by SRTEPC (Synthetic and Rayon Textiles Export Promotion Council) for last financial year.

With a strategic objective of increasing margins, we are not only focused on cost reduction but are also adding new filaments with niche characteristics to our product basket. The trial runs have been successful and the marketing of these products will soon follow.

Keeping in view the global trends in apparels and fast fashion wherein there is a growing concern about environment and sustainability, we have initiated applied research work on “Recycling” of polyester, not just the PET bottles but yarns and waste in all forms. The demand for recycled polyester is increasing rapidly as leading brands in fast fashion segments are looking to source higher percentage of recycled raw materials. Recycling of polyester will help us reduce our carbon footprint as well.

The company is also in the process of setting up a 30MW captive power

plant to bring down its energy cost as energy rates in Gujarat are higher than its neighbouring states. All equipment and auxiliaries have been ordered after completing basic engineering and design, and we expect the power project to come on stream by April 2021. Upon completion of this project the company estimates 45-50 crores of annual savings in its operating costs.

To Sum Up

Although the financial year has begun on a challenging note, we are confident of our company’s ability to survive and revive in these uncertain times. The COVID-19 pandemic has certainly thrown new challenges our way, but I assure you that we are taking every necessary step to bring the company back to its past performance levels. The dedication and commitment of our employees and their enthusiasm along with strong government support and our track record through various business cycles – gives me confidence in our ability to deliver long term value for our stakeholders regardless of the challenges that may come our way.

Finally, on behalf of the Filatex Board, I would take this opportunity to acknowledge the trust and continuous support extended by our shareholders, customers, partners and other business associates throughout our journey.

Yours sincerely,



Madhu Sudhan Bhageria
Chairman & Managing Director

Striving for Excellence

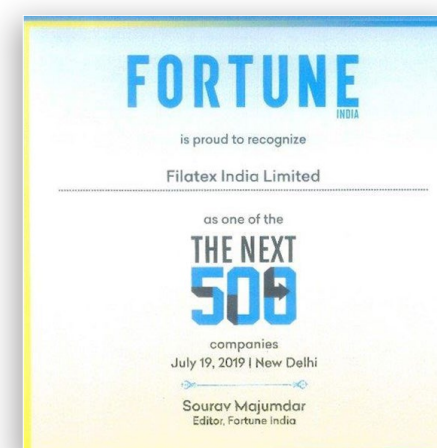
AWARDS AND ACCOLADES



Asia Pacific Entrepreneurship Awards - Corporate Excellence



Best Company of the Year Award



Fortune Next 500 Award, 2019



SRTEPC - 3rd Best Export Performance

The right blend of experience and expertise

BOARD OF DIRECTORS



Madhu Sudhan Bhageria

Chairman & Managing Director (Promoter)

1. Has led the company from production of monofilament yarn (500 TPA) to multifilament yarn of all types, shades and colours (3,83,000 TPA)
2. 37 years of operational, financial and strategic planning experience in polyester yarn, environment and energy innovation
3. President of PTA Users Association, a body dealing with key impediments for the growth of polyester
4. Gold Medallist Commerce Graduate from the Reputed Shri Ram College of Commerce, Delhi University



Purshottam Bhaggeria

Joint Managing Director (Promoter)

1. A dynamic man with rich experience in corporate affairs, policy perspectives, investments, compliance and legal issues
2. Honorary Consul of Republic of Moldova in India since March 2011
3. Board Member (Director) of FICAC (World Federation of Consuls) and Secretary-General, Hony. Consular Corps Diplomatique (HCCD), an all India body of all the Honorary Consuls
4. Chairman of International Affairs Committee of Europe, PHD Chambers of Commerce
5. Earned an MBA degree with distinction from Cornell University, USA



Madhav Bhageria

Joint Managing Director (Promoter)

1. 35 years of rich experience in diverse business areas – marketing, operations, insurance and contracts
2. Guiding the finance team as interim CFO
3. An ardent supporter of quality education, he is the Promoter Director of Tapti Valley Education Foundation, an international school in Surat
4. Commerce graduate from Hindu College, Delhi University



Ashok Chauhan

Executive Director

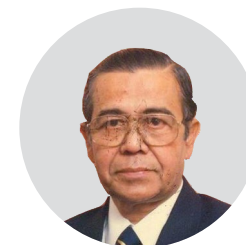
1. 45 years of experience in diverse industry segments like Pulp & Paper, Chemicals, Engineering Consultancy, Polyester Film, PET Filament, Hydro Power Plants, Solar/ Wind / Renewable Energy, Real Estate Development & Construction, etc.
2. Vast experience in corporate planning, business investment strategies, operations, organization development, organizational behavior and succession planning
3. B.E. and MBA from Delhi University
4. Gold Medal and Best Sportsman Award received in college



Suraj Prakash Setia

(Independent Director)

1. Rich experience in the textile industry and providing consultancy to textile industry since 1982
2. Chairman of Company's Shareholders Relationship Committee
3. Member of Company's Audit Committee and Nomination & Remuneration Committee
4. Director in various other companies
5. Textile Engineering Graduate, the batch of 1962, from Bhiwani



Swarup Chandra Parija

(Independent Director)

1. 38 years of services with the Government of India and served as the Director of Income-Tax Investigation, Chief Commissioner of Income-Tax and Director General of Income-tax Investigation
2. Served as a Chairman of Income-Tax Settlement Commission and as Chief of Administration and Finance of All India Institute of Medical Sciences
3. Member of Company's Audit Committee and Nomination & Remuneration Committee
4. Master's Degree in Political Science from Allahabad University and a MSc in Fiscal Studies from University of Bath (UK)



Brij Bihari Tandon

(Independent Director)

1. Retd. IAS Officer and former Chief Election Commissioner of India
2. Served as Secretary to the Government of India in various key ministries/ departments
3. Served as Secretary to The Govt. of Himachal Pradesh in various key departments like Industry, Power, Mining, etc.
4. Served as member of the Securities & Exchange Board of India (Special Invitee)
5. M.A. and LLB from the University of Delhi. CAIIB (Associate Certificate of the Indian Institute of Bankers)



Pallavi Joshi Bakhru

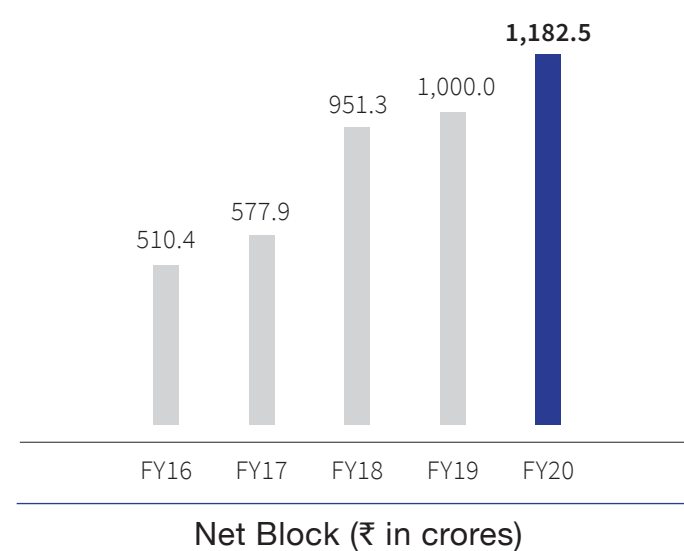
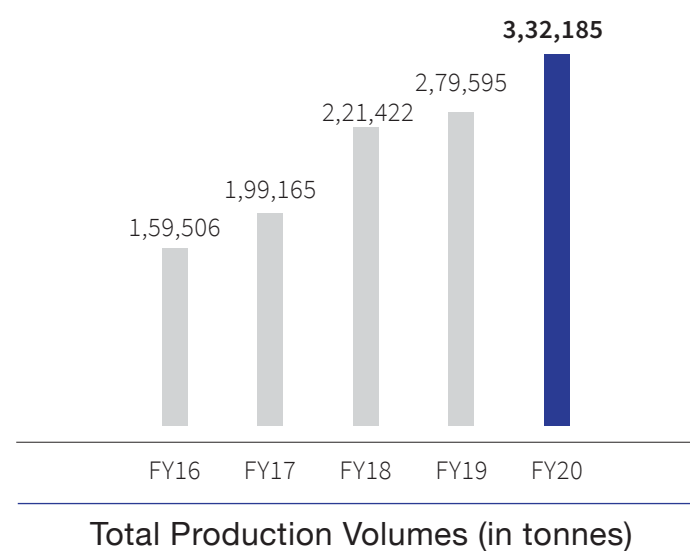
(Independent Director)

1. Has more than 27 years of post-qualification experience in the field of taxation. Her area of expertise includes inbound and outbound structuring advisory (including regulatory compliance) for both Indian and overseas investors.
2. Fellow member of the Institute of Chartered Accountants of India
3. Member of The International Fiscal Association – (India Branch)
4. Charter member with Tie – Delhi Chapter.
5. Chairman of Company's Audit Committee and Nomination & Remuneration Committee

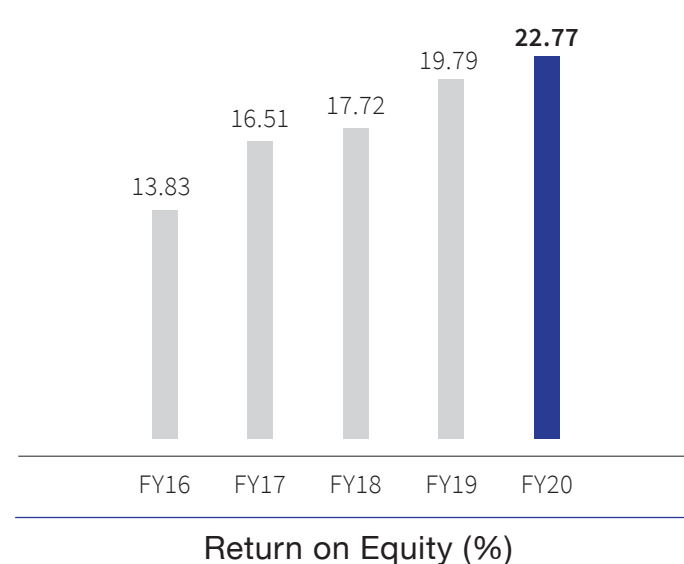
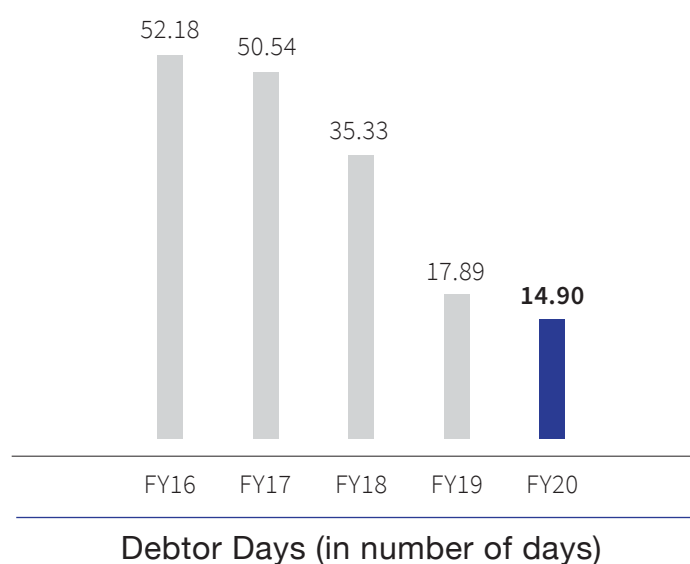
The year in numbers

KEY PERFORMANCE INDICATORS

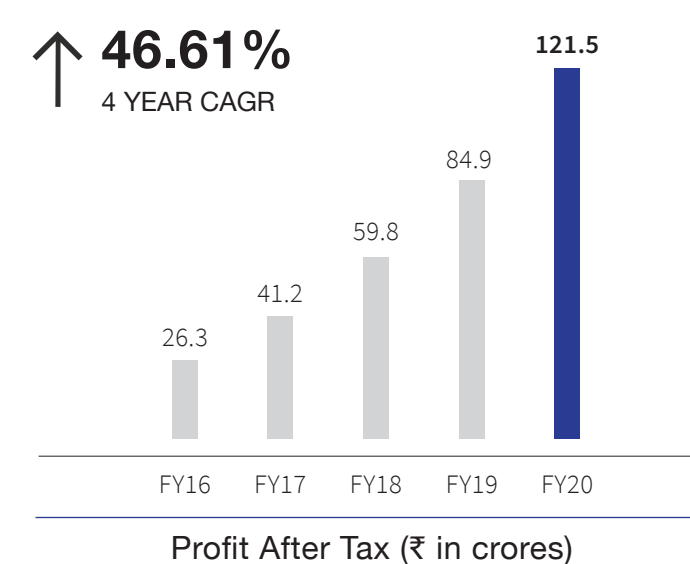
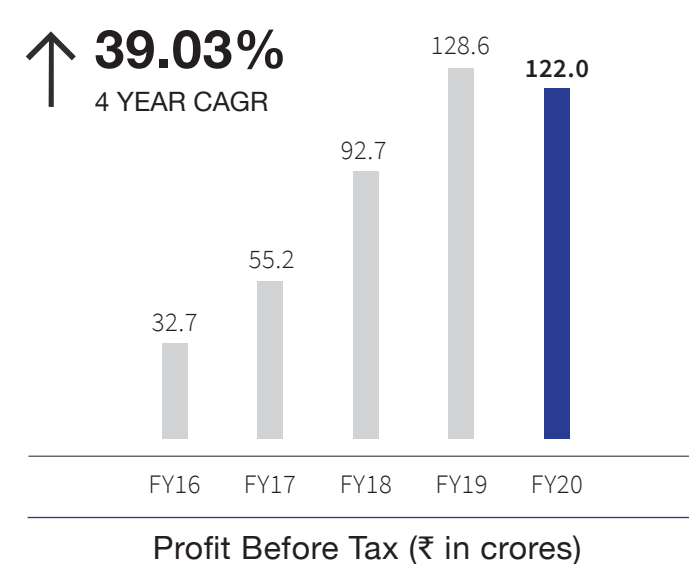
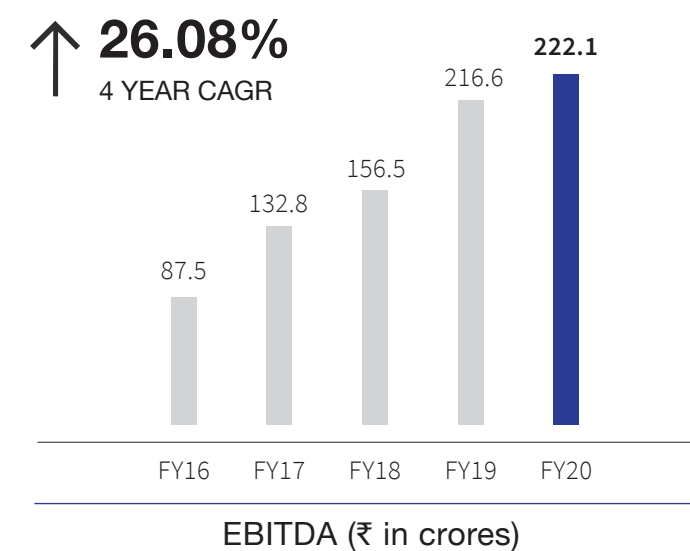
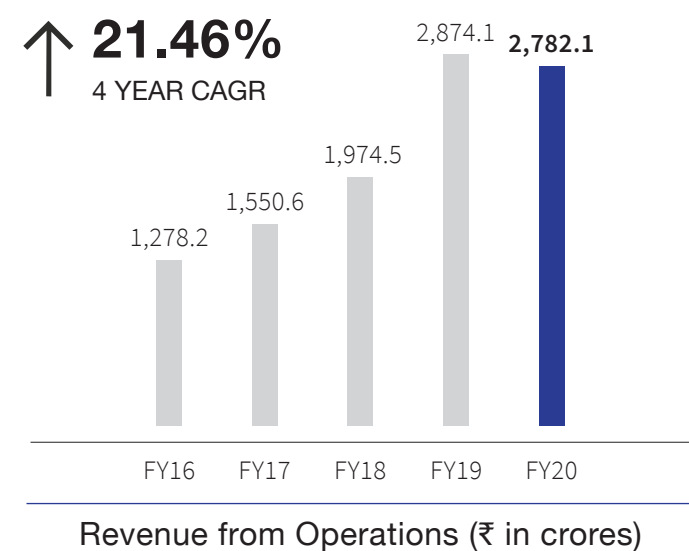
Scale of Operations



Operating Metrics

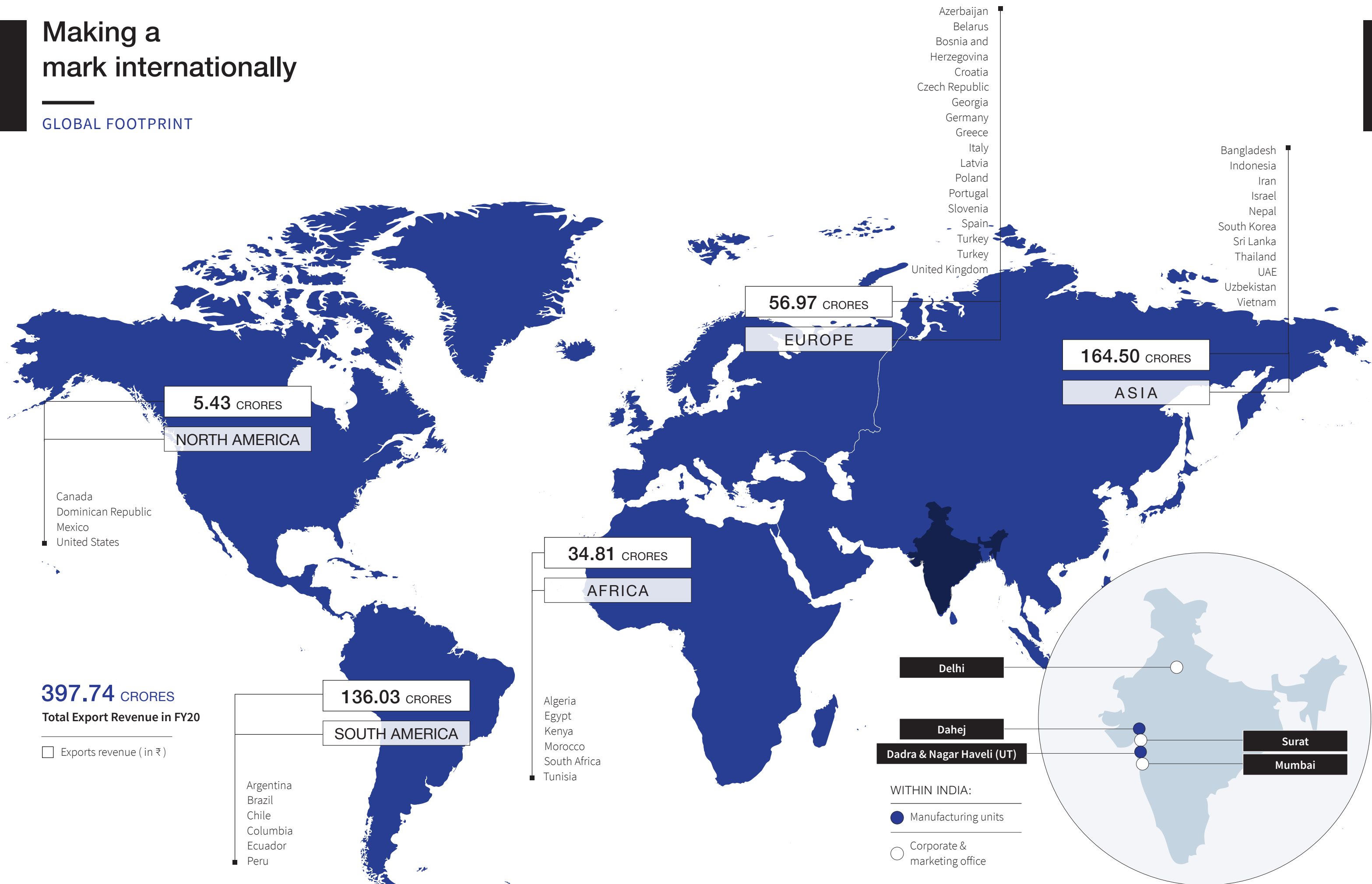


Financial Performance



Making a mark internationally

GLOBAL FOOTPRINT



The length and breadth of our business

OUR PRODUCTS AND MORE

Polyester - The Preferred Fiber



AFFORDABLE
PRICING



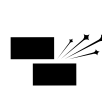
HIGHLY
DURABLE



EASY WASH
ABILITY



HIGH COLOUR
RETENTION



ABRASION &
MILDEW RESISTANT



WRINKLE
RESILIENT



BLENDS WITH
OTHER FIBRES



FASTER
DRYNESS



STAIN
RESISTANT



RESISTANT TO
STRETCHING &
SHRINKING

End User Industries

Women Wear and Inner Wear

Seam softness is critical in these garments. The textured Micro Denier has met the expected requirements and is being used in Lingerie, Performance garments – Activewear, Yoga wear, low shrinkage to ensure no seam distortion after washing & soft feel make these yarns ideal choice.

Apparel

Polyester Filament Yarns are extensively used in apparel – Trousers, Shirts, Suitings & Sarees. PFY is a high strength filament that can withstand repetitive movements. Colour Fastness of Polyester Fiber is excellent. Other properties like being wear 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 require a fabric that's not only strong & durable but also abrasion resistant. Ease of washing & corrosion resistance

makes them easy to maintain with long usage life.

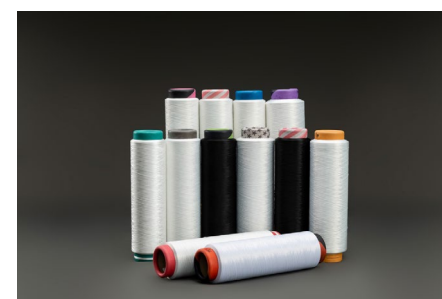
Industrial

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 an ideal choice to allow longer usage life.

We believe that **Polyester** due to its unique properties and diverse applications is the fibre of the future.



Our Product Portfolio

Polyester Chips

PET (polyethylene terephthalate) chips are produced by granulizing polyester formed in a polycondensation reaction of pure terephthalic acid and monoethylene glycol. They are an industrial intermediate product used to manufacture Polyester yarns. PET Chips used in Textile Industry are also known as Fibre grade PET chips, filament grade PET chips or textile grade PET chips. Textile grade PET Chips are used for making Polyester Filament yarn like POY, FDY and Staple fibre used widely in the Textile industry.

Partially Oriented Yarns (POY)

Partially oriented yarn is 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.

Draw Textured Yarn (DTY)

Produced by drawing & 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 fine distortions along the lengths of the filament. Polyester DTY yarn can also be obtained in various colors by the dope dyed technology or by conventional dyeing. DTY is used for fabric end uses like outer/inner garments, skin-clinging garments, furnishings, upholstery, etc.

Fully Drawn Yarns (FDY)

Fully Drawn Yarn (FDY) is 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 the get fabric of different varieties. Fully drawn polyester filament yarn is directly used for producing all kinds of fabrics especially for children and ladies.

Polypropylene Multifilament Crimp Yarns (PPY)

PP Yarn is extruded in Denier range 100 to 300 in various filament combinations and further Texturized on Draw Texturizing machines. PPY has low moistening characteristics which make it very easy to clean. The specific gravity of PPY is 0.91, which is lower than Nylon or Polyester. So 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, Under Garments, Sports Wear, Woven Sacks, Geo Textiles, Sofa Sets, Safety Belts, Sewing Thread and Rope.

Narrow Woven Fabric (NWF)

Narrow fabrics are non-elastic woven textile having a width of 12 inches or less and a woven selvage on either side. They are small strips of fabric, often designed for a specific and practical purpose. 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 on hats, corsets, and lingerie, and in military uniforms as well. Nowadays soldiers will also find narrow fabrics in their pack webbing and parachutes as well as their waist belts, helmets, and body armour. NWF can be seen in everyday objects in our lives, from the seat belts in our car, to the leash used to walk our dog, to the tough fabric edging on our mattress.

Complete product basket with offerings from bright to semi-dull to dope-dyed colours, course to fine, in all types of filaments - POY, DTY and FDY



Supporting Neighbouring Communities

CORPORATE SOCIAL RESPONSIBILITY

We believe that while our business's growth and success are our priority, we can reach greater goals only if we cater to the needs of the communities where we operate. We empower communities to rise by providing

Educational support and infrastructure

Self employment opportunities for women

Health, environment and safety awareness

Medical health checkups

and much more..

We strive to walk the extra mile through building societies with equitable development.



Management Discussion and Analysis

Uncertain timelines of activities resuming and the pandemic fading point to a state of constant uncertainty throughout this year.

Migration has caused labour shortage across all industries at a time when the economy is starting to open again

Global Economy

Economic growth in FY 2019-20 across all the continents and respective countries continued to slide down. The collateral damage of corona virus has intensified and magnified the slowdown. Almost all countries responded to the Covid-19 pandemic by way of complete lockdown preventing movement of people, goods and services except bare essentials. The outbreak and consequent lockdown have caused significant disturbance of economic activity globally. Measures taken to contain the spread of the virus, including travel bans, social distancing and closure of non-essential services have triggered significant disruptions to business worldwide, resulting in an economic slowdown. Businesses are being forced to shut down or limit their operations for a long or indefinite period.

Due to lack of any specific treatment for the virus and the necessary protective measures, lockdown & containment measures still in place, the global economy is now projected to contract sharply by 3 percent in 2020 as opposed to previous projections of 3.6 percent growth. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial as the pandemic spread has not abated. *-(IMF Report April 2020)*

Uncertain timelines of activities resuming and the pandemic fading point to a state of constant uncertainty throughout this year. The World Bank in

its “Global Economic Prospects” report has termed the current situation – the deepest global recession in decades.

In these difficult times, effective economic policies by governments are the need of the hour. Every government is introducing policies catered to the specific needs of their citizens. Policies that reduce the impact of the pandemic on individuals and organizations. Policies to withstand the unavoidable sudden shutdown and severe slowdown. Policies that ensure that economic recovery can begin quickly once the pandemic begins to fade.

Indian Economy

India's GDP growth had shown clear signs of slowing down due to a global slowdown prior to the lockdown of the country and the drastic measures to contain the effects of the COVID-19 pandemic have only worsened the situation. The growth of the Indian economy slowed to 4.2% in FY 2019-20. In FY 2020-21, the output is projected to contract by 3.2% when the impact of the pandemic will largely come in play.

The national lockdown by the Government of India started on 25th March and extended till 3rd May 2020. Even post this lockdown, there was a partial lockdown in most states of the country. The extended lockdown has affected the unorganized sector significantly. Another side-effect of the lockdown was the confinement of labour which was stuck in cities without jobs and money and were unable to meet their expenses or migrate back to their states. The government provided special trains for migrants to travel home only after 2 months of abandonment

which led to mass migration of labour and a fear to return back to work. This migration has caused labour shortage across all industries at a time when the economy is starting to open again. The lockdown has also contributed to mass job loss and unemployment leading to a decrease in average household demand and spending.

In these uncertain and turbulent times, the lack of retail demand, a partial lockdown in different states and labor shortage will continue to adversely affect the demand and supply chains in 2020. This has been evident in India's PMI numbers which registered a sharp deceleration. A decline in private consumption due to large scale lockdown and fear along with spillover from contracting global growth will also affect the domestic and export sales.

The Reserve Bank of India in an effort to provide additional liquidity lowered the interest rates and instructed banks to extend a moratorium on existing term loans and personal loans. However, additional government policies are required to reduce the negative impact of COVID-19 and ensure that no further waves of outbreaks occur. Greater support is also required for various manufacturing, tourism and service sectors that have been hit severely by the pandemic. Also, policies alone will not suffice. There is an urgent need for swift and efficient implementation of the policies across the nation in order to reverse the slowdown.

Global Textile Economy

Since the coronavirus outbreak began in China at the end of 2019, its impact has been felt across the global apparel and textile sector. The industry was suddenly overwhelmed with a barrage of cancelled orders. Further, the industry must face the tough task of protecting the wages of its workers in their supply chains around the world in the wake of factories closing and future orders drying up due to decline in global demand and consumption. The demand for textile

Finally, the global shift in fashion toward MMF was noticed by the government and the **additional anti-dumping duty on PTA was abolished by Ministry of Finance in the budget announced on February 2020.** The whole polyester industry has become hopeful at the removal of this major burden that had been hampering the growth of the Indian polyester industry.

products is expected to be lower in the first half-year of the FY20-21, though the same is likely to have a continuing impact on the industry in the coming 3-4 quarters.

China is the dominant player in global textile trade with India a distant second. This, however, is likely to change owing to increasing labour and production costs in China, offering a wide opportunity to countries like India, Vietnam, and Bangladesh. In addition, the recent wave of negative sentiments across the globe for China and its exports, presents an opportunity to India to develop new customer bases and increase its share in the global textile trade.

Indian Textile Economy

Among the massive impact that coronavirus has had on various Indian industries, textile is one of the hardest-hit industries. The textile and clothing sector is labour and capital intensive. A majority of workers are migrant labourer's; who have mostly returned to their native places. **With the total disruption in workflow and production schedule, the industry is facing one of its worst-ever crisis.** Prolonged closure

of malls and retail showrooms has made the situation worse. Some of the new challenges faced by the industry are not just liquidity crunch but also lack of demand and requirements to meet new safety standards across all processes.

Post the immediate crisis, the apparel industry faces a recessionary market. One of the reasons for this is the prospect of changing consumer behaviour due to social distancing and the preference for sanitized products. Consumers are expected to be uncomfortable to touch and feel garments in retail stores.

However, on the brighter side, several countries around the world, such as the USA & Japan, have decided to learn lessons from this calamity and look for alternate production sources other than China. Indian textiles should capitalize on this situation and present itself as a credible alternative to increase its textile and apparel exports share. Further, manufacturers need to maximize their internal capabilities and focus on building their efficiencies if they want to emerge as a better option than competitors like Bangladesh, Vietnam and Cambodia.



Polyester Industry Outlook

Traditionally, the Textile Ministry has been skewed in its favoured cotton as it supports the livelihood of almost 5.8 million farmers.

However, Polyester has become the most preferred fibre in the global textiles industry due to its better physical properties, lower price, versatility, and recyclability, which offer a completely unique set of benefits unmatched by any other natural or synthetic fibres. Polyester filaments has been segmented into apparel, home furnishing, automotive, construction, filtration, and personal care and hygiene applications.

The Indian polyester industry, for last six years, had been at a distinct cost

disadvantage in global competitiveness on account of Anti-Dumping Duty on key raw material i.e. PTA. Man Made Fibre industry associations and users of PTA had been vigorously representing and following up the Government authorities to remove this punitive duty and address the structural anomalies like “Inverted Duty” structure which are hampering the growth. Polyester industry continues to suffer on account of inverted GST structure – higher rate of 18% on raw material & 12% on finished products like yarn & fiber and going forward 5% on fabrics and garments.

Finally, the global shift in fashion toward MMF was noticed by the government and the additional anti-dumping duty on PTA was abolished by Ministry of Finance in the budget announced on

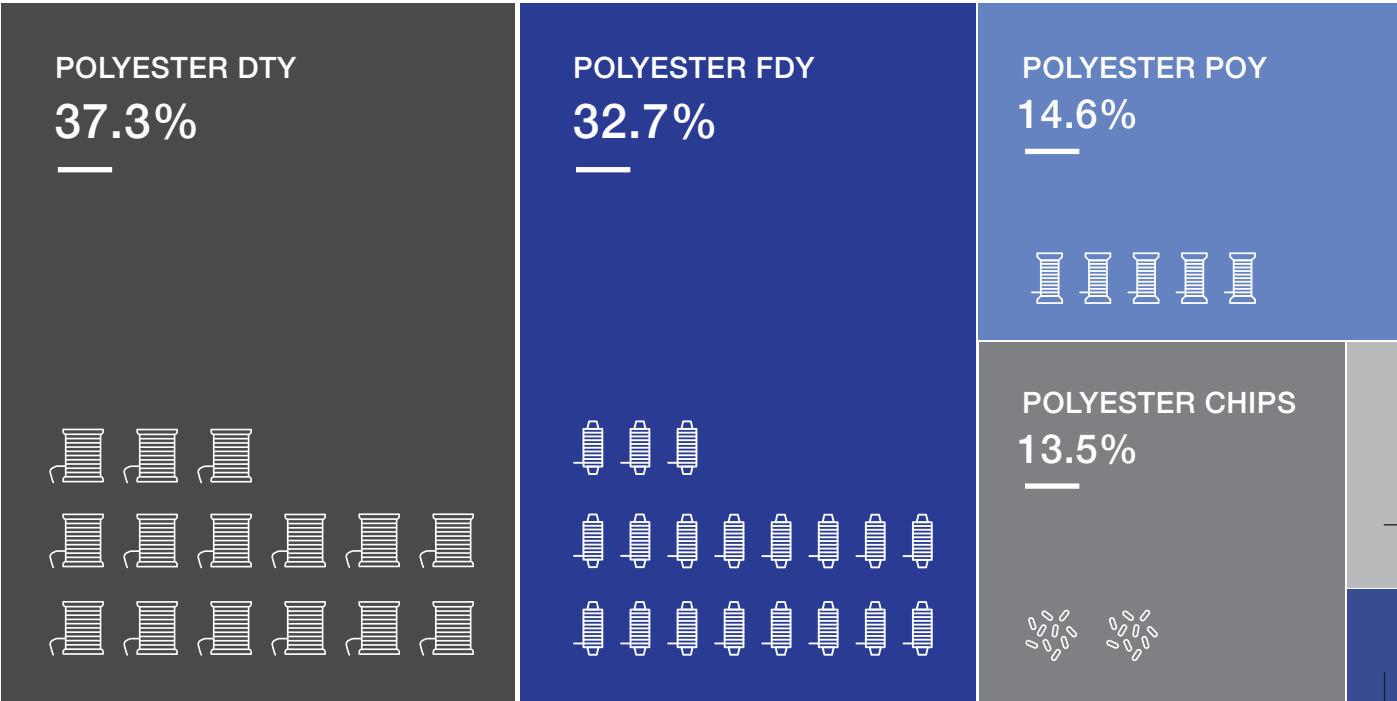
February 2020. The whole polyester industry has become hopeful at the removal of this major burden that had been hampering the growth of the Indian polyester industry. This abolishment has levelled the playing field for the Indian manufacturers and is likely to have a positive impact in domestic business environment as well as global competitiveness.

Filatex India Limited

Filatex India Limited is rated among the top five manufacturers of Polyester Filament yarns in India. It manufactures a wide variety of yarns; POY, FDY and DTY in full range of coarse and fine deniers, in all kinds of shades and varieties like Bright, Semi Dull, Black and Dope dyed colours. It has two manufacturing facilities in Dahej (Gujarat) and Dadra (Union Territory of Dadar & Nagar Haveli). The plant at Dahej is an integrated spinning facility with continuous polymerisation.

Initially, Filatex started with a small capacity of 5,000 TPA in 1996 which today has increased to 3,83,000 TPA. The plant in Dadra manufactures Dope Dyed Polyester and Polypropylene Yarns. While the plant at Dahej helped the company step forward, moving from “Chips to Yarns” to “Melt to Yarns” technology.

Production Capacities - Net of Captive



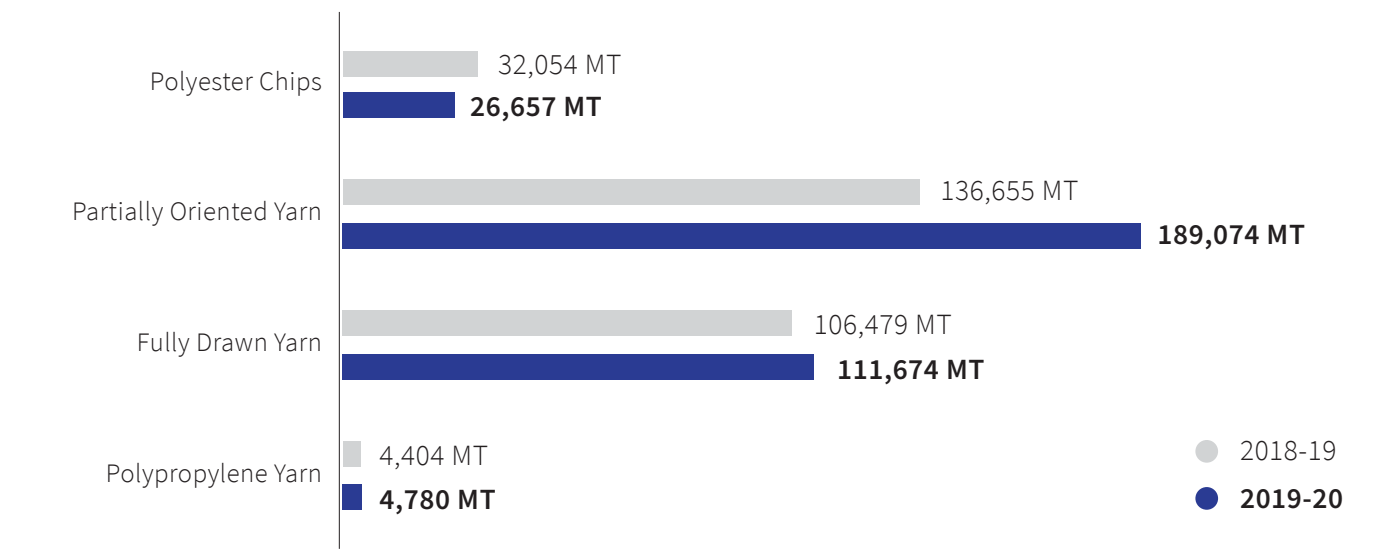
Particulars	Production	Captive	Net
Polyester Chips	86,400	34,600	51,800
Polyester POY	1,99,800	1,44,000	55,800
Polyester DTY	1,44,000	1,200	1,42,800
Polyester FDY	1,26,400	1,200	1,25,200
Polypropylene	9,000	4,000	5,000
Narrow Woven Fabrics	2,400	0	2,400

NARROW WOVEN FABRICS
0.6%

POLYPROPYLENE
1.3%

Production Performance

Filatex India Limited touched a volume of 3,32,185 tons as compared to last year at 2,79,595 tons, an increase of 18.8%. The filament lines achieved a capacity utilization factor of 95% while DTY machines achieved 90% capacity utilization.



Financial Performance, FY2019-20

Overall, the company has performed well in FY 19-20 inspite the general economic slowdown of the Indian economy and loss of 8 production days due to the COVID-19 lockdown.

The net revenue from business operation was Rs 2,782 crores. The operating profit improved to Rs 222.13 crores, an increase of 2.6% YoY basis. Profit after Tax also improved by 43.2% as compared to last year, to an amount of Rs 121.47 crores.

(Rs. In Crores)		
Particulars	2019-20	2018-19
Revenue from Operations (Net Sales)	2,782.07	2,874.10
EBIDTA	222.13	216.51
PBT (Before exceptional item)	121.98	128.63
PAT	121.47	84.85
Earnings per share (Basic)	5.53	3.90

Quarterly Performance, FY2019-20

Particulars	Q1	Q2	Q3	Q4
Production (MTs)	70,365	84,286	90,102	87,432
Sales (MTs)	72,526	76,072	92,026	82,921
(Rs. In Crores)				
Revenue from Operations (Net Sales)	696.81	680.23	737.73	667.30
EBIDTA	51.41	52.29	55.87	62.56
PBT (Before exceptional item)	30.87	33.08	26.23	31.80
PAT	20.03	61.84	18.57	21.03

Key Financial Ratios

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

Ratio	2019-20	2018-19
Debtor Turnover Ratio in days	14.90	17.89
Inventory Turnover Ratio in days	22.59	23.27
Interest Coverage Ratio*	3.36	3.93
Current Ratio	1.21	1.12
Debt Equity Ratio	1.21	1.28
Operating Profit Margin	7.98%	7.53%
Net Profit Margin	4.37%	2.95%
Return on Net Worth	22.77%	19.79%

* In Interest Coverage Ratio, ineterst represents interest on term loan and working capital, and exchange cost.

Net Profit Margin

Net Profit margin was 2.95% in FY19 and has improved to 4.37% in FY20 mainly due to an improved product mix and reversal of deferred tax liabilities amounting to Rs. 34.70 crores by virtue of introduction of Taxation Laws (Amendment) Ordinance, 2019. The Company expects to utilise the deferred tax balance over subsequent periods which have accordingly been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse.

Return on Net Worth

The company substantially improved its retained profits by way of adding more value-added products as well as reversal of deferred tax liabilities. The Return on Net worth has therefore improved from 17.97% to 20.42%.

Overall Performance

Despite various disruptions, the overall performance of the company has improved. The operating profit increased by Rs 5.61 crores, gain of 2.6% YoY basis. This was achieved primarily by improving the product mix. Increase in DTY volume, a value-added product with global demand, has opened up access to a larger market, spread all over the country & abroad. The company’s exports surged to 48,451 MT of polyester products, a growth of 13.1% compared to last year. Now, with view of increased product range, our products are established in international markets and we have presence in 45 countries across the globe. Our export on account of polyester yarns and chips was Rs 39,774 lakhs (including deemed export) in F.Y. 2019-20.

Growth Plan

With new texturizing machines installed and ready for production, exports of the company have possibilities to increase on account of texturized yarn having significant demand in both domestic and global markets. This may be further amplified by the current anti-China sentiments across the global market.

The Company is also in the process of setting up a 30 MW Captive coal-based Thermal Power plant at Dahej and 1.4 MW rooftop Solar Power plant at Dahej & Dadra. This will help reduce the power cost of the plant in Dahej and reduce the Company’s operating costs by 40-45 crores.

Our product basket at present, offers Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Drawn Textured Yarn (DTY) in full range of coarse and fine deniers in all kinds of shades and varieties like Bright, Semi Dull, Black and dope-dyed colours as well as Polyester Chips and Narrow Woven Fabric. Moving forward, the company is focused on researching and adding new filaments with niche characteristics to its product portfolio.

The demand for recycle polyester is increasing rapidly in line with consumer awareness and preference as leading brands in fast fashion segments are promoting sustainability in textile industry. This has seen an increase in the the global demand for recycled polyester fibre. The company is researching new and improved ways of recycling polyester to reduce polyester waste and its effects of the planet.

SWOT Analysis

Strengths

- Management team has rich experience in marketing & manufacturing of Polyester Filament Yarn
- Amongst India’s top 5 key player in Polyester Filament Manufacturers
- Favourable location of plants, in proximity to major consumption centres, ports & suppliers of raw material
- Established systems for process and plant management, accredited for ISO, OEKO-TEX and 3 Star Export House Status
- Complete product basket with offerings from bright to semi-dull to dope-dyed colours, course to fine, in all types of filaments - POY, DTY and FDY
- Positive long-term relationships with dealers & customers

Weaknesses

- High cost of power at Dahej, Gujarat
- Commodity nature of product portfolio
- Low bargaining power against large suppliers of key raw materials

Opportunities

- Forward Integration into fabrics, moving from B2B to B2C
- Captive Power Plant to reduce energy cost
- Rich product basket enhancing focus on exports
- Increase in demand for recycled polyester yarn
- Anti-China sentiment in the global markets
- Global competitiveness due to abolishment of anti-dumping duty on PTA

Threats

- Global Uncertainty affecting Trade and Demand due to Pandemic
- Decrease in consumption while the pandemic persists and grows
- Cheaper Imports from neighbouring countries enjoying free trade

Human Relations and Industrial Relations

The company recognizes its people as the most valuable resource. The company has formulated policies of nurturing talent of employees and ensuring that there is growth and their capabilities grow in relation to their responsibilities. The HR management takes into account the capability, commitment and sincerity while evaluating talent within the company. To retain talent company has offered ESOS to its senior employees. Second tranche of ESOS has been granted which also covers all good performers as well irrespective of their levels. As a welfare measure “Group Accident Insurance Scheme” has been introduced for all the employees.

Consistent and fair HR policies ensure that industrial relations continue to

be peaceful and cordial and results in increasing in productivity and effectiveness. The Company aims at creating development oriented approach for its employees by building systems, processes and focusing on recruitment of good quality manpower. Focus on transparent performance appraisal and productivity linked incentive schemes have resulted in motivated workforce and increased productivity. Another significant step for promotion or recruitment at senior level is carrying out temperament test and management aptitude test which helps in judging the soft skills which are necessary to steer the company’s operation.

The company regularly conducts training programs to improve the skill sets & work capability of employees at various levels necessary for their growth. A great deal of emphasis is on creating succession plan for all key positions. This emphasis is extended to well qualified, young family members who are going through arduous training program in different facets of operations.

Internal Control Systems and their Adequacy

Filatex has strong internal monitoring & control system to ensure efficiency of operations, processes and to safeguard the company’s assets against any loss from unauthorized usage. The Company’s internal control system is commensurate with its size, scale and complexities of its operations. The

Company has a ‘Budgetary Control’ system and actual performance is regularly monitored by the Management. It has well defined organization structure, authority matrix and internal guidelines and rules. The internal control system ensures that the financial and other records are reliable for preparing financial statements and maintaining proper records of transactions and assets.

The company continues to have an independent agency as the Internal Auditor to review “Operations & Systems” audit in accordance with the audit guidelines stipulated by the audit committee. The internal auditors, as part of their assignment, evaluate and assess the adequacy and effectiveness of internal control measures and compliance with general accounting principles & statutory requirements. The internal audit reports are discussed / reviewed by senior management and audit committee of the Board and on its recommendations appropriate actions are initiated to ensure full compliance.

Statutory Compliance

The Chairman & Managing Director and CFO make a declaration at each Board Meeting regarding the compliance to the provisions of various statutes, after obtaining confirmation from all the units of the company. The company secretary ensures compliances in accordance with Companies Act, SEBI regulations and provisions of the Listing Agreement.

Forward Looking Statement

The Management of Filatex has prepared and is responsible for the financial statements that appear in this report. These statements are in conformity with the latest accounting principles generally accepted in India.

The statements describing the Company’s objectives, projections, estimates and expectations may be ‘forward looking statements’ within the meaning of applicable laws and regulations. The Management has made these statements based on its assessment, expectations, and projections about the future events.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations 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. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Statutory Report

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	00021953
Mr. Ashok Chauhan	Executive Director	00253049
Mr. Brij Behari Tandon	Independent Director	00740511
Mr. Swarup Chandra Parija	Independent Director	00363608
Mr. Suraj Praksh Setia	Independent Director	00255049
Mrs. Pallavi Joshi Bakhru	Independent Director	01526618

Company Secretary

Mr. Raman Kumar Jha

Bankers

Union Bank of India
Punjab National Bank
Bank of Baroda

Auditors

Arun K Gupta & Associates
D-58, East of Kailash
New Delhi - 110 025

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

S. No. 274, Demni Road,
Dadra - 396 193
(U.T. of Dadra & Nagar Haveli)
Ph: 260-2668343/8510
Fax: 260-2668344
Email: fildadra@filatex.com

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th Annual General Meeting ('AGM') of the Members of FILATEX INDIA LIMITED (the "Company") will be held on Wednesday, 30th September, 2020 at 11.00 AM through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of **Shri Purrrshottam Bhaggeria** (DIN: 00017938), who retires by rotation, and being eligible, offers himself for re-appointment.

3. Appointment of Joint Statutory Auditor

To consider and to pass, if thought fit the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, **M/s R. N. Marwah & Co. LLP** (Firm Registration No. (001211N/ N500019), Chartered Accountants be and is hereby appointed 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.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered

necessary, proper or expedient to give effect to this Resolution."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution as an **ORDINARY RESOLUTION**:-

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013, the payment of Remuneration of ₹ 60,000 (Rupees Sixty Thousands) plus GST and out of pocket expense to **M/s Bahadur Murao & Co.**, a firm of Cost Auditors, (Firm Registration No. 000008), who were appointed by the Board of Directors in their Meeting held on 4th June, 2020 for conducting the audit of cost records of the Company for the financial year ending 31st March 2021, be and is hereby approved and ratified".

5. To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION**:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 & 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, consent of the Members of the Company be and is hereby accorded to the re-appointment and payment of remuneration to **Shri Ashok Chauhan** (DIN: 00253049) as Wholtime Director of the Company for a further period of 2 years w.e.f. 01.05.2020 on the following terms and conditions:

1. Remuneration not exceeding ₹ 50,00,000/- (Rupees Fifty Lakhs) per annum for First year and ₹ 52,00,000/-

(Rupees Fifty Two Lakhs) per annum for Second year on cost to company basis as may be determined between the Chairman & Managing Director of the Company and Shri Ashok Chauhan.

2. Reimbursement of actual traveling and out of pocket expenses incurred in the course of the company's business and mobile phone as per the rules of the company.

3. Entitlement to privilege leave with full pay and casual leave benefits as per the rules of the company.

4. No sitting fee shall be payable for attending the meeting of the Board of Directors and Committees thereof.

5. **Notice Period:** Three months.

RESOLVED FURTHER THAT consent of the Members of the Company be and is hereby accorded that in the event of loss or inadequacy of profits in any financial year during the tenure, Shri Ashok Chauhan shall be entitled to receive remuneration including perquisites/ benefits mentioned above as minimum remuneration in accordance with and subject to the applicable provisions of schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT Shri Madhu Sudhan Bhageria, Chairman & Managing Director and Mr. Raman Kumar Jha, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto."

6. To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**

ISSUANCE OF EQUITY SHARES OR CONVERTIBLE BONDS / DEBENTURES

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (**“SEBI Regulations”**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreements entered into by the Company with the stock exchanges where equity shares of the Company are listed, enabling provisions of the Memorandum and Articles of Association of the Company, the Depository Receipts Scheme, 2014, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and any statutory modifications, re-enactments or amendments from time to time to the above mentioned regulations, rules and schemes and clarifications issued thereon from time to time and subject to other applicable laws, rules, regulations, guidelines, notifications and circulars issued by various competent authorities/bodies, whether in India or abroad and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (**“SEBI”**), Government of India (**“GoI”**), Reserve Bank of India (**“RBI”**), Foreign Investment Promotion Board (**“FIPB”**), Department of Industrial Policy & Promotion (**“DIPP”**) and all other appropriate and / or competent authorities or bodies whether in India or abroad to the extent applicable and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals,

consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (here in after referred as **“Board”** which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to offer, create, issue and allot including with provisions for reservation on firm and/or competitive basis, of such part of the issue and for such categories of persons as may be permitted), with or without green shoe option, in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers (**“QIB”**), Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, trusts, stabilizing agents or otherwise or any combination thereof, whether or not such investors are shareholders, promoters, directors or associates of the Company, through issue of equity shares of the Company (**“Equity Shares”**) and / or Global Depository Receipts (**“GDRs”**) and / or American Depository Receipts (**“ADRs”**) and / or Foreign Currency Convertible Bonds (**“FCCB”**) and/or fully convertible debentures and/or partly convertible debentures and/ or optionally convertible debentures and/ or non convertible debentures with warrants and/ or Debentures and/ or other securities convertible into equity shares at the option of the Company and/ or holder(s) of such securities, with or without voting/special rights, or with or without detachable warrants with a right exercisable by the warrant holders to subscribe to the Equity Shares or otherwise (all of which are hereinafter collectively referred to as **“Securities”**) or combination of Securities, at such time or times in one or more tranches, whether rupee denominated or denominated in foreign currency, by way of one or more public and/or private offerings and/or on preferential allotment basis including qualified institution placement or any combination thereof, at such price or prices, at market price or at a discount or premium to market price in terms of applicable regulations, to any eligible

investors, including residents and/ or non-residents and/or qualified institutional buyers and/or institutions/ banks and/or incorporated bodies and/ or individuals and/or trustees and/or stabilizing agents or otherwise, whether or not such investors are members of the Company (**“Investors”**), as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an amount upto **₹ 250 crores (Rupees Two Hundred Fifty Crores)** in Indian Rupees or an equivalent amount in any foreign currency, as the Board may determine, where necessary in consultation with the Lead Managers, Merchant Bankers, Underwriters, Guarantors, Financial and other agencies, as required, and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible.”

“RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws.”

“RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of Securities by a person resident outside India) Regulations, 2000 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactments thereof).”

“RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, subject to the

provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, including any statutory modifications, re-enactments or amendments thereto from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of determining the floor price for conversion of the FCCBs into equity shares shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under applicable law.”

“RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VI of SEBI Regulations, the pricing shall be determined in compliance with principles and provisions set out in the regulation 176 of Chapter VI of the SEBI Regulations and the Board may offer a discount of not more than 5% (five per cent) on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.”

“RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VI of SEBI Regulations, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue or such other date as may be prescribed under applicable law.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic /

international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalization and approval of the offer documents(s), private placement offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, premium amount on issue / conversion / exercise / redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges in India or abroad, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.”

“RESOLVED FURTHER THAT the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Equity Shares so issued shall in all respects rank pari passu with the existing Equity Shares of the Company and shall be listed with the stock exchanges where the Company’s existing equity shares are listed.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint

merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts / agreements, memorandum, documents, etc. as may be required.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the

Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of director(s) or any director(s)/officer of the Company in such manner as they deem fit in their absolute discretion with the power to take such steps and do all such acts, deeds, matters and things as they deem fit and proper for the purposes of the issue.”

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

**RE-PRICING OF OUTSTANDING
19,95,000 STOCK OPTIONS GRANTED
IN 2ND TRANCHE UNDER FILATEX
ESOS, 2015**

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share

Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”) and other applicable Regulations, if any, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee of the Company constituted in this regard) to modify / re-price outstanding 19,95,000 Stock Options 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 and as a consequence thereof and as connected therewith, the Nomination & Remuneration Committee be authorised to revise/ extend the vesting period.

RESOLVED FURTHER THAT the exercise price for the said 19,95,000 stock options proposed to be repriced

be considered at ₹ 28.85 per option being the closing price on NSE on which higher trading volume were transacted on the date immediately prior to the date of the Nomination & Remuneration Committee meeting held on 28th August, 2020, having considered the proposal for re-pricing.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without seeking any further consent or approval of the Shareholders and that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

By order of the Board of Directors
for **Filatex India Limited**

Raman Kumar Jha
Company Secretary

Place : New Delhi
Date : August 28, 2020

REGISTERED OFFICE:

Survey No.274, Demni Road, Dadra
(U.T. of Dadra & Nagar Haveli) 396 193
Phone no. 260-2668343/8510
Fax No.260-2668344
Email: fildadra@filatex.com
Website: filatex.com

CIN: L17119DN1990PLC000091

Notes:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA"), vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed Companies to conduct Annual General Meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members in the AGM. Accordingly, the 30th Annual General Meeting of the Company will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

2. In terms of the said MCA circulars and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the requirement of sending proxy forms to the shareholders as per provisions of Section 105 of the Act read with Regulation 44(4) of the Listing Regulations, has been dispensed with. Therefore, the facility to appoint proxy by the members will not be available and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in pursuance of Section 113 of the Act and Rules made thereunder, the corporate members are entitled to appoint authorized representatives to cast vote through remote e-Voting or to cast Vote during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF

/ JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at shares@filatex.com/primekoss@hotmail.com with a copy marked to evoting@nsdl.co.in.

3. Since the AGM will be held through VC or OAVM, Route Map is not being provided with the Notice.

4. Explanatory Statement pursuant to Section 102 of the Companies, 2013 in respect of **Item No(S). 3 to 7** of the Notice is annexed hereto. Necessary information of the Directors seeking re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.

5. The Register of Members and Share Transfer Books of the Company shall be closed from 20th September, 2020 to 30th September, 2020 (both days inclusive) for ensuing Annual General Meeting.

6. Members are requested to notify:

A. change of address, if any, with Pin Code, quoting reference of their folio number, to the Company.

B. members who are holding shares in Demat Mode are requested to notify any change in their address to their respective Depository Participant.

7. Members seeking any information with regard to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.

8. Pursuant to Section 124(5) of the Companies Act, 2013, in respect of dividends unclaimed for more than seven years from the date of transfer

in Unpaid Dividend Account, the Company has transferred unclaimed dividend to the Investor Education and Protection Fund (IEPF) for the financial years 2009-10, 2010-11 & 2011-12. Further the Company has also transferred related shares to IEPF Suspense Account. The shares and dividend amount which had been transferred to IEPF, can be claimed from the IEPF Authority by following the procedures which are available on the Company's website www.filatex.com and on the IEPF Authority's website www.iepf.gov.in.

9. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities can be processed in dematerialized form w.e.f. 01.04.2019 with a depository except in case of transmission or transposition of securities. Members may also please also note that the shares of the Company are compulsorily traded only in Dematerialized form on Stock Exchanges. Shareholders, who have not yet dematerialized, are requested to have their shares dematerialized to avail the benefits of electronic form of trading.

10. In terms of SEBI circular, you are requested to provide copy of PAN card and original cancelled cheque leaf/ attested bank passbook showing your name as account holder.

11. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the members holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective Depository Participants for availing this facility and the Registrar in respect of shares held in physical form.

12. All Documents referred to in the Notice and Explanatory Statement are open for inspection by the

members at the Registered Office of the Company on any working day during office hours from 10.00 A.M. to 1.00 P.M. upto the date of the Meeting. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>.

13. As a part of Green initiative in the Corporate Governance, the Ministry of Corporate Affairs (MCA) vide its circulars dated 21st and 29th April,

2011, permitted service of documents through electronic mode in place of physical mode to all the shareholders. Your Company is also keenly desiring to participate in such initiative and request all the shareholders **to update their email IDs with their Depositories (NSDL & CDSL) or send their email IDs alongwith DP ID/ Client ID to the Company to enable your Company to serve all future communication through email.** Keeping in view of the aforesaid initiative of MCA, your Company shall send the Annual Report, to its Members in electronics form, to the email address provided by them.

14. The Notice alongwith the Annual Report of the Company for the

financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the websites of the Company viz., www.filatex.com and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website i.e. www.evoting.nsdl.com of the National Securities Depository Limited (NSDL) engaged for providing remote E-voting facility and e-Voting at AGM through VC/OAVM.

15. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time and Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorized agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting system as well as venue voting through VC/OAVM on the date of the AGM will be provided by NSDL.

The members, who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27th September, 2020 (9:00 am) and ends on 29th September, 2020 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 24th September, 2020 may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The details of the process and manner for remote e-voting are as under:

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

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

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your user id is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
- d. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- e. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
 - If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical **User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

7. Now, you will have to click on "Login" button.

8. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **primekoss@hotmail.com** with a copy marked to **evoting@nsdl.co.in**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: shares@filatex.com or contact at telephone no. 011-26312503

16. Procedure for attending the AGM through VC OR OAVM

a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve

the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

b. Members are encouraged to join the Meeting through Laptops for better experience.

c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot

may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at company email id.

f. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name

demat account number/folio number, email id, mobile number at company email id. The same will be replied by the company suitably.

g. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

17. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 24.09.2020. **A person who is not a member as on the cut-off date should treat this Notice for information purpose only.**

18. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the

cut-off date i.e. 24.09.2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com.

19. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through VC/OAVM.

20. Mr. K.O.Siddiqui, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the Remote e-voting process and e-Voting at AGM through VC/OAVM in a fair and transparent manner.

21. The Scrutinizer, after the conclusion of voting at the meeting, will first count the votes cast at the meeting

and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and submit to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to stock exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

Item No. 3

This Explanatory Statement is provided though not strictly required as per Section 102 of the Act.

Presently, **M/s Arun K. Gupta & Associates** (Firm Registration No. 000605N) is the Statutory Auditors of the Company who hold office for a term of five years commencing from the Company's financial year 2017-18 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.

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, the Board of Directors, on the recommendations of the Audit Committee, in its meeting held on August 28, 2020, has 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

subject to the approval of the Members at the ensuing Annual General Meeting on such remuneration plus GST, out-of-pocket expenses etc. as decided by the Board of Directors

M/s R. N. Marwah & Co. LLP (Firm Registration no. (001211N/N500019), Chartered Accountants, being eligible for appointment under the provisions of the Companies Act, 2013 and furnished their consent to act as the Joint Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the criteria and conditions laid down under Section 141 of the Act.

Accordingly, consent of the Members of the Company is sought for appointment of **M/s R. N. Marwah & Co. LLP** as the Joint Statutory Auditors as set out at Item No. 3.

Your Directors recommend passing of the Resolutions at Item No. 3 as an ORDINARY RESOLUTION.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in this resolution.

Item No. 4

The Board, on the recommendation of the Audit Committee, in its meeting held on 4th June, 2020 has approved the appointment and remuneration of the Cost Auditors, **M/s Bahadur Murao & Co.,** to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021. In accordance with the provisions of Section 148 of the Companies Act, 2013, and rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2021 as set out at Item No. 4 by passing an Ordinary Resolution.

Your Directors recommend passing of the Resolutions at Item No. 4 as an ORDINARY RESOLUTION.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in this resolution.

Item No. 5

The Board, on the recommendation of Nomination & Remuneration Committee, in their meeting held on 14th February, 2020 has approved the re-appointment of Shri Ashok Chauhan as Whole-time Director on the terms and conditions and remuneration as stated in the resolutions for a further period of two years w.e.f. 01.05.2020.

In the event of loss or inadequacy of profits in any financial year, he shall be eligible to receive the said remuneration alongwith perquisites/benefits as minimum remuneration in accordance with Schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.

As an abundant caution, the statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 is as under:

I	GENERAL INFORMATION
1	Nature of Industry: The Company is engaged in manufacturing of Synthetic yarns viz polyester Partially Oriented Yarns (POY), polyester Filament yarns, Fully Drawn Yarns (FDY), Textured yarns, Polyester chips, Nylon filament yarns, Polypropylene Yarns and Narrow fabrics
2	Date or expected date of commencement of Commercial production: The Company was incorporated on 8 th August, 1990 as a Public Limited Company. The Company is already in operation after obtaining Certificate of Commencement of business on 5 th September, 1990.

3	In case of new companies, expected date of commencement of activities as per project approved financial institutions appearing in the prospectus: Not applicable			
4	Financial performance based on given indicators: (₹ In lakhs)			
		2017-18	2018-19	2019-20
	Turnover (total revenue)	1,97,445	2,87,410	2,78,207
	Profit/(Loss) before Tax	9,272	13,097	12,199
	Net Profit/(Loss)	5,978	8,485	12,147
	Paid up Share capital	4,350	4,350	4,393.70
	Other Equity	34,200	42,858	55,095
5	Foreign investments or collaborators, if any: None			
II	INFORMATION ABOUT THE APPOINTEES:			
	SHRI ASHOK CHAUHAN			
1	Background details: Shri Ashok Chauhan is of 68 years of age. He has done B.E. (Mech) and Master Degree in Business Administration. He has 46 years 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 & Construction.			
2	Past Remuneration: 30.57, 37.26 & 36.47 lakhs for financial years 2017-18, 2018-19 & 2019-20 respectively.			
3	Recognition or awards: Awarded Gold medal for the best student of the college of 1968-1973 batch and also received Best Sportsman award in college.			
4	Job profile and his suitability: Shri Ashok Chauhan is the Whole-time Director of the Company and he looks after marketing, project management, general and overall operation, corporate planning, risk evaluation & business investment strategies. In consideration of the performance of his duties as Whole-time Director, the Board of Directors and Nomination & Remuneration Committee in their meetings held on 14 th February, 2020 have approved his appointment and remuneration as set out in Item No. 6 of the Notice.			
5	Remuneration proposed: Mentioned in Item No. 5 of the Notice.			
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) : Proposed remuneration of Shri Ashok Chauhan is comparable to that drawn by the similar senior level counter parts in other companies in the industry and is commensurate with the size of the Company, diverse nature of its businesses, the profile of the appointee and responsibilities shouldered by him.			
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri Ashok Chauhan, holds 2,00,000 Equity Shares of ₹ 2 each representing 0.09% of the paid up capital of the Company and he is not related to any Director/KMP.			
III	OTHER INFORMATION			
1	Reason of loss or inadequate profits: During the financial year ended 31 st March, 2020, the Company has earned adequate profits calculated as per Section 197 readwith Section 198 of the Companies Act, 2013. However as an abundant caution, the Company proposed to pass the Special Resolutions to pay minimum remuneration to Whole-time Directors as per Schedule V of the Companies Act, 2013 in case of loss or inadequate profits in any year during his tenure of appointment.			
2	Steps taken or proposed to be taken for improvements: The Company has been taking various initiatives to reduce the finance cost and cost of production. With the commencement of production of Polyester Textured Yarn at the existing Plant in Dahej, Company's turnover and profits will increase in coming years.			
3	Expected increase in productivity and profits in measurable terms: In view of the facts mentioned above, it is difficult to forecast the productivity and profitability in measurable terms. However, considering the continuously improving economic scenario, the Company expects that the productivity and profitability may improve and would be comparable with the industry average.			
IV	DISCLOSURES			
	Remuneration package of the managerial persons: Fully described in the respective resolutions as mentioned above. The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been given in the Corporate Governance Report attached to this Annual Report.			

Your Directors recommend passing of the Resolutions at Item No. 5 as a Special Resolution.

Except Shri Ashok Chauhan, none of the Directors of the company, Key Managerial Personnel of the company and their relatives are deemed to be concerned or interested financially or otherwise in this resolution.

Item No. 6

Pursuant to Sections 23,42,62,71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act", the Members accorded their consent at the Annual General Meeting of the Company held on 27th September 2019 by means of Special Resolution authorizing the Board of Directors to issue Securities upto a maximum of ₹ 250 Crore, in one or more tranches inter alia by way of public and/or private offerings and/or preferential allotment basis/QIP accordance with Chapter VIII of the SEBI ICDR Regulations, or any combination thereof. However, no Securities were issued by the Company pursuant to the above Resolution.

The Company is continuously exploring options to raise funds for pursuing various opportunities for its growth. This would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place to meet the desired fund requirements including for capital expenditure, working capital, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals.

This would also help the Company to take quick and effective action to capitalize on the opportunities as and when available.

The requirement of funds is proposed to be met from both equity and debt by issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet with the objective of optimization

of the cost as well as conservative financial management.

Pursuant to section 62(1)(c) of the Companies Act, 2013 and rules made thereunder, as amended, in case the Company proposes to issue equity shares to any persons other than existing shareholders, whether or not such persons are shareholders, approval of shareholders through Special Resolution is required.

Pursuant to Sections 42, 62 & 71 of the Companies Act, 2013, read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Act"), as amended, a company offering or making an invitation to subscribe aforesaid Securities is required to obtain prior approval of the shareholders by way of the special resolution. If approved by shareholders, a preferential issue, including QIP, shall be completed within a period 365 days from the date of passing of special resolution and in case of issue by way other than QIP, provisions as applicable to the proposed issue shall be applicable. Equity Shares, proposed to be issued, shall in all respects rank pari passu with the existing equity shares of the Company.

As the pricing of the offer, will be decided at a later stage, be in accordance with the provisions of the SEBI (ICDR) Regulations, 2018, the Companies Act, 2013, or any other guidelines/regulations/ consents as may be applicable or required.

In case of issue of convertible bonds and/or equity shares through depository receipts the price will be determined on the basis of the current market price and other relevant guidelines.

The "relevant date" for the above purpose, shall be:

- i. in case of allotment of equity shares, the date of meeting in which the Board or Committee thereof decides to open the proposed issue;

- ii. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

The Board of Directors, accordingly, at their meeting held on August 28, 2020 has recommended to the shareholders to give their consent through special resolution to the Board of Directors or any Committee of the Board to raise funds through issuance of Equity Shares and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds / Debentures or any equity linked instrument/s ("Securities") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or qualified institutional placement ("QIP") and / or any other permitted modes at a price to be determined as per the SEBI (Issue of Capital & Disclosure Requirement) Regulations, as amended (the "SEBI Regulations") or as per other applicable rules and regulations, upto an amount of **₹ 250 crores (Rupees Two Hundred Fifty Crores)** in Indian Rupees and / or an equivalent amount in any foreign currency under section 62 read with section 179 of the Companies Act, 2013, as amended or other applicable laws. Such issue shall be subject to the provisions of the Companies Act, 2013, as amended and rules made thereunder from time to time, Articles of Association of the Company, SEBI Regulations and other applicable laws.

In view of the above, it is proposed to seek approval from the shareholders of the Company in the ensuing Annual General Meeting to offer, create, issue and allot above Securities, in one or more tranches, to investors, inter alia, through QIP, by way of private placement

or otherwise and to authorise the Board of Directors (including any Committee thereof authorised for the purpose) to do all such acts, deeds and things on the matter. The Board may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

Your Directors recommend passing of the resolution at Item No. 6 as a SPECIAL RESOLUTION.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested, financially or otherwise, in the said resolution.

Item No.7

The Company had introduced and implemented Filatex Employee Stock Option Scheme, 2015 for the benefit of eligible permanent employees, Whole-time Directors (excluding the Promoter Directors and Independent Directors) under prevailing laws, rules and regulations and / or amendments thereto from time to time.

As per Regulation 7 of the SEBI (Share Based Employee Benefits) Regulations, 2014 the company can vary the terms

of the schemes and may reprice the options issued provided it has taken approval of the shareholders by way of special resolution in the General Meeting and such repricing shall not be detrimental to the interest of the employees.

The Nomination and Remuneration Committee of the Company had granted options in two tranches till date. Out of 1st tranche, 33,65,000 shares were already allotted at a price of ₹ 7.40 each to the employees on exercising of options by them. Options granted by the Nomination and Remuneration Committee in 2nd tranches at a price of ₹ 42.20 per option becomes unattractive due to falling of share price of the company below the exercise price for such employees. First vesting of stock options granted in 2nd Tranche will start w.e.f. 7th May, 2021.

The Nomination and Remuneration Committee and the Board, in their meeting held on 28th August, 2020, recommended to re-price outstanding 19,95,000 Stock Options granted in 2nd Tranche under Filatex Employee Stock Options Scheme, 2015 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

including, if needed, to revise/extend the vesting period by the Nomination & Remuneration Committee. The Company is of the opinion that the said variations are proposed to be done for the benefits of the such employees.

Your Directors recommend passing of the Resolutions at Item No. 7 as a SPECIAL RESOLUTION

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested, financially or otherwise, in this resolution except to the extent of the stock options granted to them under the Scheme and to the extent of their shareholding in the Company.

By order of the Board of Directors
for **Filatex India Limited**

Raman Kumar Jha
Company Secretary

Place : New Delhi
Date : August 28, 2020
REGISTERED OFFICE:
Survey No.274, Demni Road, Dadra
(U.T. of Dadra & Nagar Haveli) 396 193
Phone no. 260-2668343/8510
Fax No.260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: **L17119DN1990PLC000091**

Others Details Required Under SEBI (Listing Obligations and Disclosure Requirements) Regulations- 2015 and Secretarial Standard 2 in respect of Director Retiring by rotation of Shri Purrshottam Bhaggeria / re-appointment of Shri Ashok Chauhan are as under :

Name of Director	Shri Ashok Chauhan	Shri Purrshottam Bhaggeria
Age (Years)	68	59
Qualifications	MBA, B.E (Mech.)	MBA, Cornell University, USA
Date of Appointment	12-02-2014	30-07-2003
Expertise in specific functional areas/ Experience	Marketing, Project Management, General and overall Operations, Corporate Planning, Risk Evaluation & Business Investment strategies	Promoter Director, Looking after Finance, Accounts, Legal & Secretarial
Directorship in Indian Companies	Listed Company Filatex India Limited	Listed Company Filatex India Limited Unlisted Company Janus Infrastructure Projects Pvt Ltd Blossom Infrastructure Pvt Ltd Elevate Developers Pvt Ltd Vantage Buildwell Pvt Ltd Ardent Infrastructure & Developers Pvt Ltd Rajasthan Tilters Limited Nouvelle Securities Pvt Ltd V.D.Estates Pvt Ltd Helios Infrastructure and Projects Ltd. Maan Softech Pvt Ltd PHD Chamber of Commerce and Industry Fargo Estates Pvt Ltd Sparsh Property Pvt Ltd Fargo Developers and Infrastructure Pvt Ltd Animate Infrastructure Pvt Ltd Fargo Facilities Management Pvt Ltd
Chairman/Member of the committees of the Board of the Companies on which he is a Director	None	He is Member of Stakeholders Relationship Committee & Corporate Social Responsibility Committee of the Company.
Shares held in the Company	2,00,000	2,17,36,798
Relationship with Directors /KMP	Not related to any Director/KMP of the Company	Only related to Shri Madhu Sudhan Bhageria, Chairman & Managing Director and Shri Madhav Bhageria, Joint Managing Director of the Company.
Four Board Meetings held during the year 2019-20	All meetings attended	3 meetings attended

Directors' Report

Dear Members,

Your Directors have pleasure in presenting 30th Annual Report of the Company alongwith the Audited Financial Statements for the financial year ended March 31, 2020.

Financial Results:

(₹ In lakhs)

Particulars	2019-20	2018-19
Total revenue (Turnover)	2,78,207	2,87,410
Other income	1,242	1,179
Total Income	2,79,449	2,88,589
Profit before Finance Cost, Depreciation and Tax	23,455	22,830
Finance Cost	6,129	5,470
Depreciation & amortization expense	5,127	4,497
Profit/(Loss) before tax (excluding exceptional item)	12,199	12,863
Exceptional Items (Profit)	--	234
Tax expense:		
Current	2,129	2,830
Deferred	(2,077)	1,782
Total Tax	52	4,612
Net Profit/(Loss) after tax	12,147	8,485
Other comprehensive income / (losses)	2	(2)
Total comprehensive income	12,149	8,483

Dividend

In order to conserve the resources and due to Covid-19, the Board has not recommended any dividend on the Equity Shares for the year 2019-20.

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

During the year under review, the Company achieved turnover of ₹ 2,78,207 Lakhs as compared to ₹ 2,87,410 Lakhs in the previous year. The decrease of 3.2% in turnover was due to reduction of raw material price. During the year under review, the Company has

earned net profit after comprehensive income of ₹ 12,149 Lakhs as compared to net profit of ₹ 8,483 Lakhs in the previous year resulting into an increase of 43.22% in net profit.

The Company enhanced its total Polymerization Capacity from 900 TPD to 1050 TPD through debottlenecking activity. It also commenced production of Partially Oriented Yarn (POY) expansion from 340 TPD to 510 TPD. Installation of machines for Drawn Textured Yarn (DTY) expansion was completed as per schedule. However, due to the national lockdown, commencement of the expansion is delayed and expected to be announced in Q2FY21. This increase in texturizing machines will help improve the overall margins of the Company on account of being a value-added product with global demand.

The Company is also setting up 30 MW Captive coal-based Thermal Power plant at Dahej and 1.4 MW rooftop Solar Power plant at Dahej & Dadra. This will help reduce the power cost of the plant in Dahej and improve the Company's operating margins by approx. 2%.

Our product basket at present, offers Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Drawn Textured Yarn (DTY) in full range of coarse and fine deniers in all kinds of shades and varieties like Bright, Semi Dull, Black and Dope dyed colors as well as Polyester Chips and Narrow Woven Fabric. The company is also focused on researching and adding new filaments with niche characteristics to the product portfolio.

From March 2020 to the reporting date, COVID-19 has significantly

impacted business operations across the world and of the Company, by way of interruption in production, supply chain disruption, shortage of skilled and unskilled workers, closure / lock down of production facilities etc.

However, the management is taking proactive steps to ensure sustainable operations going forward. Initiatives such as social distancing, COVID-19 training, regular health check-ups and remote working have been introduced to ensure the safety and health of all employees.

Subsidiary Company

During the year ended 31st March, 2020, 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 February 12, 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 February 11, 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

May 07, 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 February 11, 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.

Diluted Earnings per share (EPS) taking the effect of issuance of options under Filatex ESOS 2015 had been calculated (refer Note No. 40 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 March 31, 2020 has been given in Note 50 of the Financial Statement.

Share Capital

During the financial year 2020-21, the Company, on 15th April, 2020, allotted 11,33,000 Equity Shares of ₹ 2 each at an exercise price of ₹ 7.40 per share against exercise of Stock Options to the Employees of the Company under Filatex Employee Stock Option Scheme 2015 (Filatex ESOS-2015). Consequently, Issued & Paid-up Capital of the Company stands increased to ₹ 44,16,36,000 consisting of 22,08,18,000 Equity shares of ₹ 2/- each from ₹ 43,93,70,000 consisting of 21,96,85,000 equity shares of ₹ 2/- each.

Deposits

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

Directors & Key Managerial Personnel

Shri Purrrshottam Bhaggeria (DIN: 00017938), Joint Managing Director,

retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri Ashok Chauhan (DIN: 00253049) has been re-appointed for a further period of 2(two) years w.e.f. 01.05.2020 subject to the approval of Members in the ensuing annual general meeting.

The Members of the Company in their last Annual General Meeting held on 27th September, 2019 approved the re-appointment of Shri Swarup Chandra Parija, Shri Suraj Prakash Setia and Smt. Pallavi Joshi Bakhru as Independent Directors for a second term of five years from the conclusion of Company's 29th Annual General Meeting to the conclusion of Company's 34th Annual General Meeting. The Members of the Company in the said meeting also approved the appointment of Shri Brij Behari Tandon as Independent Director for a second term of five years w.e.f.13.02.2020. They 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 June 20, 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.

Mr. Anil Dutt Mohla, Chief financial Officer of the Company resigned from service on 27th May, 2020. Shri Madhav Bhageria, Joint Managing Director of the Company will discharge the finance function of the Company till the time Company formally appoints a whole time Chief Financial officer.

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 & Shri Madhav Bhageria, Joint Managing Directors, 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, Shri Brij Behari Tandon and Mrs. Pallavi Joshi Bakhru, as members.

The Board, on the recommendation of CSR Committee, approved ₹ 185.13 Lakhs being two percent of average net profits of ₹ 92.57 Crores 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 2019-20 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 ₹ 102.43 Lakhs on Education, Swachh Bharat Abhiyan, Health facilities, Promotion of sports, making available safe drinking water, environment sustainability etc. However, it could not spend 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.

Details of the expenditure incurred towards CSR activities for the financial year 2019-20 is annexed herewith as [Annexure "A"](#).

Meetings of the Board

Four (4) 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, 2020, 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.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s Arun K. Gupta & Associates, Statutory Auditors in their report for the Financial Year ended March 31, 2020. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company /Central Government in the year under review.

Joint Statutory Auditor

It is proposed to appoint [M/s R. N. Marwah & Co. LLP](#) as the Joint Statutory Auditor of the Company for a term of five years, who has have confirmed their eligibility and qualification required under the Act for holding the office as

Joint Statutory Auditors of the Company

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 2020-21 as the Cost Auditor at a remuneration of ₹ 60,000 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 & Associate](#), Practising Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 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. 46 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 2019-20 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. During current financial year, Shri Ashok Chauhan, Wholetime Director has been appointed as Vigilance Officer of the Company in place of Mr. Anil Dutt Mohla who resigned on 27.05.2020.

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.

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). 6,15 & 51 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.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure "G"** and the same along with the Annual Return 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 : August 28, 2020

Madhu Sudhan Bhageria

Chairman and Managing Director

DIN:00021934

ANNEXURE - A

Report on Corporate Social Responsibility

DETAILS OF EXPENDITURE INCURRED TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) DURING FINANCIAL YEAR 2019-20 ARE AS UNDER:

Sr No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the State / District (Name of the District/S, State/S where project/programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1.Direct Expenditure On Project, 2.Overheads:	Cumulative Spend Upto To The Reporting Period.	Amount spent: direct/through implementing agency
1	Apprentice training and skill development	Employment Enhancing Vocational Skills	Bharuch	1,500,000	1,484,050	1,484,050	DIRECT
2	Civil work for boundary wall in Gaushala	Animal Welfare	Bharuch	200,000	187,509	1,671,559	DIRECT
3	Tiles replacement at Village	Rural Development	Dadra, UT of Dadra & Nagar Haveli	-	5,100	1,676,659	DIRECT
4	Donation given to Shree Sai Prasad Seva Madal for Group Marriage of poor Adivasi girls	Measures for reducing inequalities faced by socially and economically backward groups	Dadra, UT of Dadra & Nagar Haveli	10,000	5,100	1,681,759	DIRECT
5	Donation to Bharat Ke Veer	Armed forces veterans, war widows and their dependents	PAN India	200,000	220,000	1,901,759	DIRECT
6	Donation to CHHATRAVAS CHANDRA ARYA VIDAYALAY for development of girl children	Women Empowerment	Delhi	50,000	51,000	1,952,759	DIRECT
7	Donation to DAYAWANTI RAJ BALA MEMORIAL FOUNDATION	Promoting Education	Ghaziabad	360,000	360,000	2,312,759	DIRECT
8	Donation to DR. Babasaheb Ambedkar Yuva Uthan Sanstha	Promoting Health Care	Bharuch	10,000	10,000	2,322,759	DIRECT
9	Donation to Indian Council for Child Welfare	Eradicating hunger, poverty and malnutrition	Dadra, UT of Dadra & Nagar Haveli	10,000	10,500	2,333,259	DIRECT
10	Donation to Lions Club of Juhu for making new girls hostel	Promoting Education	Delhi	350,000	350,000	2,683,259	DIRECT
11	Donation to MANAV MANDIR MISSION TRUST	Promoting Education	Delhi	200,000	200,000	2,883,259	DIRECT
12	Donation to MEADOWS FOUNDATION TRUST	Promoting Education	Delhi	25,000	25,000	2,908,259	DIRECT
13	Donation to NARMADA NAGRI ROTARY WELFARE TRUST	Rural Development	Bharuch	20,000	21,000	2,929,259	DIRECT
14	Donation to Rotary Club of Worli Bombay Bombay Trust	Promoting Healthcare	Mumbai	200,000	200,000	3,129,259	DIRECT
15	Donation to SMILE FOUNDATION for Girl child education	Women Empowerment	Mumbai	20,000	18,000	3,147,259	DIRECT

16	Gardening & Cleaning work in village	Swachh Bharat Abhiyan	Bharuch	1,400,000	1,433,084	4,580,343	DIRECT
17	Organised Pulse Polio Camp at Govt. Hospital PHC Dadra	Promoting Healthcare	Dadra, UT of Dadra & Nagar Havelli	5,000	3,220	4,583,563	DIRECT
18	Air conditioners provided in Gram Panchayat	Rural Development	Bharuch	150,000	140,800	4,724,363	DIRECT
19	Air tickets given to participate in Rock climbing event	Sports promotion	Bharuch	50,000	44,900	4,769,263	DIRECT
20	Computers provided to Schools	Promoting Education	Bharuch	400,000	382,910	5,152,173	DIRECT
21	Cricket kits provided to Adivasi boys	Promoting Sports	Dadra, UT of Dadra & Nagar Havelli	10,000	8,661	5,160,834	DIRECT
22	D.G set provided, Railing Fabrication work, Exercise equipments, Blankets, Helmets and Sign Board to Village panchayat	Rural Development	Bharuch	1,000,000	998,473	6,159,307	DIRECT
23	Food items given for Adivasi Samaj on World Adivasi day	Measures for reducing inequalities faced by socially and economically backward groups	Dadra, UT of Dadra & Nagar Havelli	15,000	16,975	6,176,282	DIRECT
24	Masks, Handwash & Sanitiser provided for Corona virus Protection	Promoting Healthcare	Dadra, UT of Dadra & Nagar Havelli	-	5,587	6,181,869	DIRECT
25	Meals provided and plantation work in schools	Promoting Education	Dadra, UT of Dadra & Nagar Havelli	30,000	29,370	6,211,239	DIRECT
26	Notebooks, sports equipments, chairs, cupboards and meals etc. provided to Schools	Promoting Education	Bharuch	1,700,000	1,691,170	7,902,409	DIRECT
27	Papad Making M/c & Sewing Machine given to Village/Gruh Udyog Women	Women Empowerment	Bharuch	200,000	195,293	8,097,702	DIRECT
28	Civil work, Boundary work for sheds in Village	Rural Development	Bharuch	800,000	776,982	8,874,684	DIRECT
29	Water Coolers given to Village panchayat	Making available safe drinking water	Bharuch	135,000	134,520	9,009,204	DIRECT
30	Use of Ambulance, organising medical checking camp etc	Promoting Health Care	Bharuch	1,250,000	1,234,086	10,243,290	DIRECT
31	Setting up of New Hospital at Jolva Village	Promoting Health Care	Bharuch	8,300,000	-	10,243,290	
	Total			1,86,00,000	1,02,43,290		

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and the policy of the company.

Madhu Sudhan Bhageria

Chairman of CSR Committee and
Chairman and Managing Director
DIN:00021934

Pallavi Joshi Bakhru

Member of CSR Committee and
Independent Director

Place : New Delhi

Date : August 28, 2020

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 Purshottam Bhaggeria Joint Managing Director	Executive Director
3	Shri Madhav Bhageria Joint Managing Director	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 Prakash Setia Director	Non-Executive & Independent Director
7	Smt. Pallavi Joshi Bakhru Director	Non-Executive & Independent Director
8	Shri Ashok Chauhan Wholetime Director	Executive Director

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 Purshottam Bhaggeria	√	√	√	√	√	√
3	Shri Madhav Bhageria	√	√	√	√	√	√
4	Shri Brij Behari Tandon	√	-	√	√	-	√
5	Shri Swarup Chandra Parija	√	-	√	√	-	√
6	Shri Suraj Prakash Setia	√	-	√	√	√	√
7	Smt. Pallavi Joshi Bakhru	√	-	√	√	-	√
8	Shri Ashok Chauhan	√	√	√	√	√	√

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 Wholtime Directors of the Company are not the Independent Directors of any listed Company. Except Shri Madhu Sudhan Bhageria, Shri Purshottam Bhaggeria and Shri Madhav Bhageria, none of the Directors are related to each other.

The Members of the Company in their last Annual General Meeting held on 27th September, 2019 approved the re-appointment of Shri Swarup Chandra Parija, Shri Suraj Prakash Setia and Smt. Pallavi Joshi Bakhru as Independent

Directors for a second term of five years from the conclusion of Company's 29th Annual General Meeting to the conclusion of Company's 34th Annual General Meeting. The Members of the Company in the said meeting also approved the appointment of Shri Brij Behari Tandon as Independent Director for a second term of five years w.e.f.13.02.2020. They 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 2019-20, the Board meets four times on 30th April, 2019, 2nd August, 2019, 11th November, 2019 and 14th February, 2020.

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: -*

Sr. 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	4	1	-	-	NO	NO
2	Shri Purshottam Bhaggeria	3	2	-	-	NO	NO
3	Shri Madhav Bhageria	1	1	-	-	YES	NO
4	Shri Brij Behari Tandon	4	4	4	-	NO	YES*
5	Shri Suraj Prakash Setia	4	3	-	-	YES	NO
6	Shri Swarup Chandra Parija	4	1	-	2	NO	YES*
7	Smt. Pallavi Joshi Bakhru	3	1	-	1	NO	NO
8	Shri Ashok Chauhan	4	-	-	-	NO	NO

*As on 31.03.2020 Represents Directorship & Membership/Chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Companies.

Directorship of Shri Brij Behari Tandon & Shri Swarup Chandra Parija in other Listed Companies is as under:

Shri Brij Behari Tandon		Shri Swarup Chandra Parija	
Name of other Listed Companies	Designation	Name of other Listed Companies	Designation
Birla Corporation Limited	Independent Director	ARSS Infrastructure Projects Limited	Independent Director
Oriental Carbon & Chemicals Ltd			
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 Wholtime 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 14th February, 2020 to discuss, inter-alia :

- the performance of Non Independent Directors and the Board as a whole;
- the performance of the Chairman & Managing Director of the Company, taking into account the views of Executive Director and Non Executive Directors;
- 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 Prakash 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 2019-20 the Committee met four 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
30-04-2019	4
02-08-2019	5
11-11-2019	5
14-02-2020	5

Shri Purshottam Bhaggeria, Shri Madhav Bhageria, Joint Managing Directors, Shri Ashok Chauhan, Wholtime Director, Chief Financial Officer Mr. Anil Dutt Mohla (who resigned 27th May, 2020), Internal Auditors and Statutory Auditors 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 27th September, 2019. Shri Swarup Chandra Parija, Chairman of the Audit Committee, could not attend the last AGM due to demise of his wife. However, he authorized Shri Suraj Prakash Setia, Independent Director of the Company to attend the said meeting on his behalf also.

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 Prakash 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, 2020, there were three meetings of the Committee held on 30th April, 2019, 2nd August, 2019 & 14th February, 2020. The attendance of the said meeting is as under:

Date of Meeting	No. of Members Present
30-04-2019	4
02-08-2019	5
14-02-2020	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/Wholtime 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, 2020

(In ₹)

Sr. No.	Name of Directors	Salary & Allowances	Contribution to Provident Fund	Perquisites	Commission	Sitting Fees	Total
1	Shri Madhu Sudhan Bhageria Chairman & Managing Director	54,40,000	21,600	17,17,934	48,39,333	-	1,20,18,867
2	Shri Purshottam Bhaggeria Joint Managing Director	47,20,000	21,600	17,39,545	48,39,333	-	1,13,20,478
3	Shri Madhav Bhageria Joint Managing Director	47,20,000	21,600	16,32,279	48,39,333	-	1,12,13,212
4	Shri Suraj Prakash Setia	-	-	-	-	2,20,000	2,20,000
5	Shri Swarup Chandra Parija	-	-	-	-	2,20,000	2,20,000
6	Shri Brij Behari Tandon	-	-	-	-	23,5,000	2,35,000
7	Smt. Pallavi Joshi Bakhru	-	-	-	-	1,80,000	1,80,000
8	Shri Ashok Chauhan Wholtime Director	34,16,040	-	2,31,365	-	-	36,47,405

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 Prakash Setia who holds 100 shares as on 31st March, 2020. 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 to be passed by the members in the Annual General Meetings. 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., 01/05/2020 subject the approval of members of the Company in the ensuing Annual General Meeting. 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, 2020, there was one meeting of the Committee held on 2nd August, 2019.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members Present
2 nd August, 2019	5

6. Stakeholders Relationship Committee

For effective and efficient shareholders services, the Company has a Stakeholders Relationship Committee. The Committee comprises of Shri Suraj Prakash Setia & Shri Swarup Chandra Parija, Independent Directors and Shri Purrshottam Bhaggeria, Joint Managing Director of the Company. Shri. Suraj Prakash 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, 2020, 36 shareholders' complaints were received and resolved to the satisfaction of the shareholders and there was one complaint pending as at the year end. There were no share transfers pending for registration as on 31st March, 2020.

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

7. General Body Meetings:

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

Year	Location	Date	Time	Whether Special Resolution passed
2016-17	Same as Survey No.274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	25 th September, 2017	09.30 A.M.	No
2017-18	Same as above	27 th September, 2018	10.00 A.M.	Yes
2018-19	Same as above	27 th September, 2019	10.00 A.M.	Yes

No Extra Ordinary General Meeting of Shareholders was held during the financial year 2019-20. No Special Resolution was passed by Postal Ballot in any of the aforesaid Annual General Meetings. As on date there is no proposal to pass any resolution by postal Ballot.

8. Disclosures

- 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. 46 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, 2020, no amount has been raised through preferential allotment & qualified institutions placement.
- (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 Statutory Auditors during the financial year ended 31st March 2020 ₹ 20.97 Lakhs (please refer Note no. 43 of Financial statement ended 31st March, 2020.)
- (x) The Company has complied with all mandatory requirements set out in the Listing Regulation.

9. Means of Communication

The Company publishes its quarterly/ half yearly/annual results, amongst others, in Financial Express and Gujarat Mitra (Gujarati) circulating in Dadra & Nagar Haveli where the Registered Office of the Company is situated and in The Economic Times Delhi & Mumbai edition,. The same together with shareholding pattern and any other significant development 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.

10. 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.

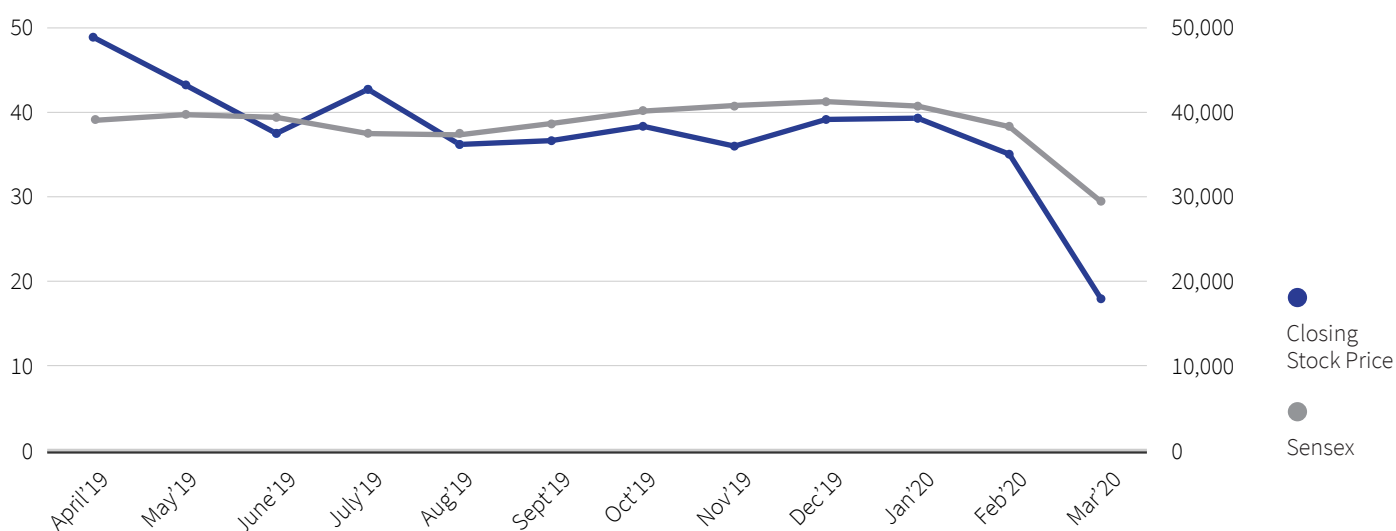
The Code has been circulated to all the Directors and Senior Management Personnel and they have affirmed compliance of the same. A declaration in this regard signed by Managing Director of the Company is given at the end of this Report.

11. Shareholder's Referencer

11.1	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)
11.2	Financial Calendar (tentative)	Results for the quarter ending 30-06-2020 on or before 14 th August, 2020
		Results for the quarter/half year ending 30-09-2020 on or before 14 th November, 2020
		Results for the quarter ending 31-12-2020 on or before 14 th February, 2021
		Results for the quarter/year ending 31-03-2021 on or before 30 th May, 2021
11.3	Book Closure Dat	As in the AGM Notice
11.4	Dividend Payment Date	Not Applicable
11.5	Listing of Equity Shares on Stock Exchanges at	BSE & NSE. Annual Listing fee for the year 2020-21 has been paid to the above Stock Exchanges.
11.6	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
11.7	Stock Market Data	
	Monthly High & Low price of the Equity Shares of the Company for the year 2019-20 based upon BSE Price data in comparison to BSE Sensex is given below:	

Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2019	59.00	39,487	48.10	38,460
May, 2019	52.00	40,125	35.65	36,956
June, 2019	44.00	40,312	36.65	38,871
July, 2019	52.45	40,032	33.75	37,128
August, 2019	43.15	37,808	35.20	36,102
September, 2019	43.70	39,441	36.00	35,988
October, 2019	39.35	40,392	32.00	37,416
November, 2019	41.00	41,164	35.20	40,014
December, 2019	39.90	41,810	33.50	40,135
January, 2020	42.60	42,274	38.00	40,477
February, 2020	43.80	41,709	34.50	38,220
March, 2020	36.90	39,083	15.55	25,639

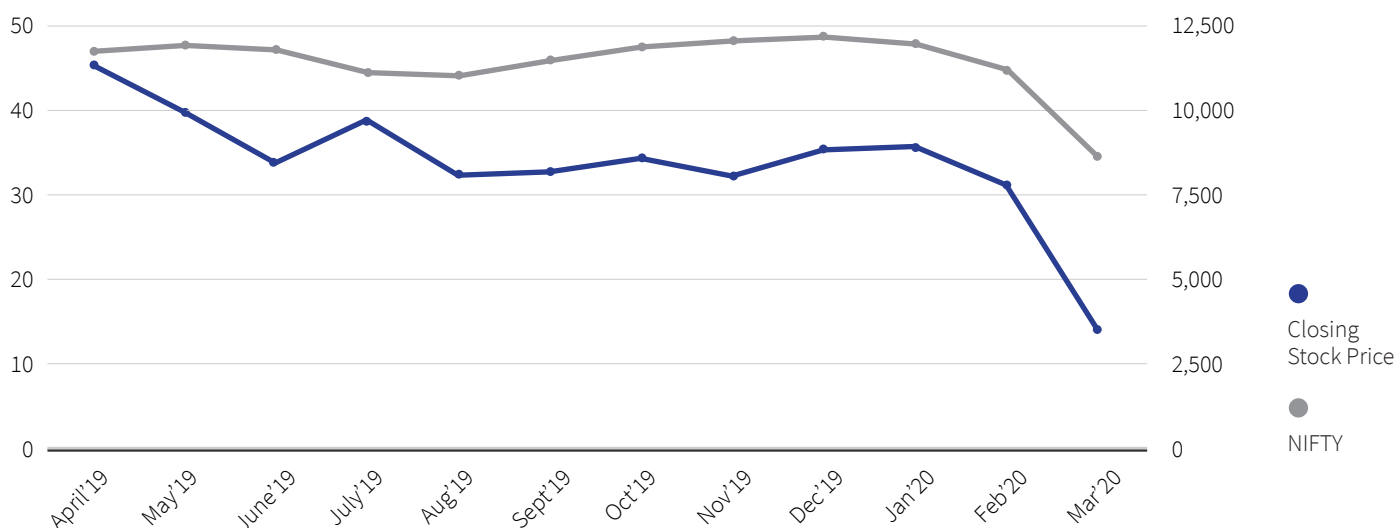
Stock Price Movement



Monthly High & Low price of the Equity Shares of the Company for the year 2019-20 based upon NSE Price data in comparison to Nifty is given below:

Month	High		Low	
	Share Price	Nifty	Share Price	Nifty
April, 2019	58.20	11,856	48.10	11,549
May, 2019	51.60	12,041	36.55	11,108
June, 2019	43.60	12,103	36.25	11,625
July, 2019	51.90	11,982	33.50	10,999
August, 2019	43.25	11,181	35.15	10,637
September, 2019	43.80	11,695	35.55	10,670
October, 2019	39.25	11,945	31.95	11,090
November, 2019	41.00	12,159	35.20	11,803
December, 2019	39.50	12,294	32.45	11,832
January, 2020	42.95	12,431	37.75	11,930
February, 2020	43.50	12,247	34.45	11,175
March, 2020	36.90	11,433	15.05	7,511

Stock Price Movement



11.8 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.

11.9 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 Shareholders'/ Investors' Grievances Committee meets twice in a month to approve share transfers/ transmissions.

11.10 Distribution of Shareholding according to categories of Shareholders as on 31st March, 2020:

S.No	Category	No. of Shares	% to total
1.	Promoters Holding		
	Promoter Group	13,31,36,237	60.60
2.	Institutional Investors		
	Mutual Funds	2,70,142	0.12
	Banks and Financial Institutions	14,99,091	0.68
	Foreign Institutional Investors	1,01,21,500	4.61
3.	Others		
	Bodies Corporate	2,17,77,311	9.91
	Indian Public	3,74,00,813	17.03
	Directors or Directors Relatives	2,82,070	0.13
	NRIs & FCBs	54,49,597	2.49
	Clearing Members	2,23,738	0.10
	Hindu Undivided Families	22,89,406	1.04
	IEPF	9,21,900	0.42
	LLP	63,13,195	2.87
	TOTAL	21,96,85,000	100

Distribution of Shareholding as on 31st March, 2020 according to Size:

Range		Shareholders		Shares	
No. of Shares		Number	% to total holders	Number	% to total Capital
Upto 500		5,867	85.13	30,33,759	1.38
5,001 10,000		371	5.38	14,96,303	0.68
10,001 20,000		220	3.19	16,93,184	0.77
20,001 30,000		73	1.06	9,35,307	0.43
30,001 40,000		54	0.79	9,69,271	0.44
40,001 50,000		36	0.52	8,45,491	0.38
50,001 1,00,000		106	1.54	38,57,955	1.76
1,00,001 and above		165	2.39	20,68,53,730	94.16
TOTAL		6,892	100	21,96,85,000	100

11.11	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 31 st March, 2020, 21,92,58,400 Equity Shares were in dematerialized form which represents 99.99% of the paid up share capital
11.12	Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity	N.A.
11.13	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 November 15, 2018.

11.14	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
11.15	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

12. 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.

13. Credit Rating:

Brickwork Ratings India Pvt. Ltd. (BWR), SEBI Registered Credit Rating Agency, assigned Credit Rating for Company's Bank Loan Facilities of ₹ 1,358.58 Crores based on 9 Month performance of FY20. The details of the same are as under:

(₹ In Crore)

Facilities	Amount	Rating
Fund based	908.58	"BWR A-" (Pronounced as BWR Single A minus) Outlook: positive
Non-Fund Based	450.00	"BWR A2+" (Pronounced as BWR Single A two plus)
Total	1358.58	INR One Thousand Three Hundred Fifty Eight crores and Fifty Eight Lakhs only

14. 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.

15. 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, 2020 to the Board of Directors.

16. 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
Filatex India Limited

Place : New Delhi
Date : August 28, 2020

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, 2020.

Place : New Delhi
Date : August 20, 2020

Madhu Sudhan Bhageria
Chairman and Managing Director

Auditor's 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, 2020 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 except Shri Swarup Chandra Parija, Chairman of the Audit Committee, could not attend the last AGM held on 27th September, 2019 due to demise of his wife. However, he authorized Shri Suraj Prakash Setia, Independent Director of the Company to attend the said meeting on his behalf also.

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 : August 28, 2020

K.O.SIDDIQUI

FCS 2229; CP 1284

UDIN: F002229B000629625

Annexure - C

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March 2020

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

To,
The Members,
Filatex India Limited
S. No. 274, Demni Road,
Dadra 396193
Dadar 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 No. 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 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (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 and ECB 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, 2009 & 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 during the Audit Period.**
 - 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable to the Company during **the Audit Period** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable to the Company during the Audit Period.

vi. The Company has also complied with various provisions of Labour Laws, Environment Laws and other related laws to the extent applicable to the Company.

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

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

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee 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 has had no major events or actions which are having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Siddiqui & Associates
Company Secretaries**

Place : New Delhi
Date : August 28, 2020

K.O.SIDDIQUI
FCS 2229; CP 1284
UDIN: F002229B000629625

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	

2	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

Filatex India Limited

Place : New Delhi
Date : August 28, 2020

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

Annexure - E

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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:

There are continuous efforts at all levels in the organisation to conserve energy and use it efficiently. Company has been implementing all viable options for reducing energy consumption and cost. We have been improving efficiency through adoption of new technology and optimisation of process. Some of initiatives undertaken by Company to conserve energy includes:

A. We have reduced fresh water consumption by almost 15% by making modifications in our Effluent Treatment plant.

B. In LP 1.4 Bar air Generation: Installed new Air Compressors for generating compressed air at 2.5 bar and 1.5 bar which has reduced our power consumption.

C. H.P. Air: We have stopped use of multiple reciprocating compressors and have installed a new large sized Centrifugal compressor of 16000 M3/Hr. This has reduced our power consumption by 6000 units per day. Constant training is being provided to workers for reducing threading time in spinning lines in which compressed air is used at 6-7 bar pressure. We have achieved relevant reduction in HP air consumption by almost 7%.

D. Air Handling Units - to reduce air conditioning load – New Quench return air ducts with enthalpy control loops were installed for fresh air / return air selection and this recirculation has decreased our chilled water requirement by 13000 TR/Day.

E. In Nitrogen Plant: We have reduced Nitrogen consumption by changing vehicle mode of transportation. We have changed from Gravity Tankers to Hydraulic lift tankers. This has reduced consumption of Nitrogen air by around 100M3/hour.

F. In DTEX plant: With continuous experiments we are optimizing jet sizes to save LP air consumption which

is required for intermingling and is part of production process. We have achieved around 10% reduction in consumption of LP air.

G. Lightings power conservation: All plant illumination is converted on LED lighting. Out sides streetlights & godown lights controlling has been started with illumination sensors in auto.

H. Modified rain drainages to take the rain water direct in raw water tank and cooling towers to reduce water consumption.

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

The company is in process of Installation of Roof top Solar power installation – 1.4 MW.

3. The Capital investment made by the Company on energy conservation equipments during the financial year ended 31st March 2020:

₹ 285.32 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.
- Optimisation / 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 developed a pilot plant adopting 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 the process.

c. Expenditure on research and development:

- | | | |
|---------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Capital : • Recurring : • Total : | } | The expenditure has been charged under respective heads of profit and loss. |
|---------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------|

C) Foreign Exchange Earnings And Outgo (Cash Basis):

Foreign exchange earned:

₹ 283,34.33 Lakhs

Foreign exchange used:

₹ 38,492.44 Lakhs

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

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

Place : New Delhi
Date : August 28, 2020

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2019-20 (₹ In Lakhs)	% increase in Remuneration in the financial year 2019-20	Ratio of Remuneration of each Director/to median Remuneration of Employees
1	Shri Madhu Sudhan Bhageria Chairman & Managing Director	120.19	7.89%	52.71
2	Shri Purrshottam Bhaggeria Joint Managing Director	113.20	7.33%	49.65
3	Shri Madhav Bhageria Joint Managing Director	112.13	8.94%	49.18
4	Shri Ashok Chauhan Wholetime Director	34.16	0.68%	14.98
5	Shri Brij Behari Tandon Non-Executive Independent Director	#	#	#
6	Shri Swarup Chandra Parija Non-Executive Independent Director	#	#	#
7	Shri Suraj Prakash Setia Non-Executive Independent Director	#	#	#
8	Smt. Pallavi Joshi Bakhru Non-Executive Independent Director	#	#	#
9	Shri. Rajender Prasad Gupta Chief Financial Officer (upto 15.04.2019)	12.04	\$	N.A
10	Shri. Anil Dutt Mohla Chief Financial Officer (w.e.f 16.04.2019)	32.41	@	N.A
11	Shri. Raman Kumar Jha Company Secretary	10.68	10.33%	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

\$ Figures are not comparable as current year figure are not for Whole year.

@ Figures are not comparable as previous year figure are not available for Whole year.

ii) The median remuneration of employees of the Company during the financial year was **₹ 2.28 Lakhs**

iii) In the financial year, there was an increase of **8.57% in the median remuneration** of employees.

iv) There were **2,508 permanent employees** on the rolls of Company as on 31 March 2020.

v) Average percentage increase made in the salaries of employees other than the Key Managerial personnel in the last financial year, i.e. 2019-20 was 7.13% whereas the increase in the managerial remuneration for the same financial year was 7.42%. 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:

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
Mr. Madhu Sudhan Bhageria Chairman & Managing Director	120.19	B. Com (H)	30.07.2003	61	38	Chief Executive Madhu Industries	8.79
Mr. Purrshottam Bhaggeria Joint Managing Director	113.20	MBA	30.07.2003	59	35	None	9.89
Mr. Madhav Bhageria Joint Managing Director	112.13	B.Com (H)	30.07.2003	57	33	None	9.98
Mr. Ashok Chauhan Whole Time Director	34.16	B.E (Mech), MBA	12.02.2014	69	47	JMD in Alchemist Group	0.03
Mr. Anil Dutt Mohla * Chief Financial Officer	32.41	C.A.	14.01.2019	52	27	CFO in Vatika Hotels Pvt. Ltd.	-
Mr. Rajiv Kasturia Sr. Vice President (Marketing)	33.50	DHT - Tech	01.02.1994	55	32	Cosmo Synthetics Ltd.	0.09
Mr. Vyanu B. Vyas Chief Operating Officer	30.79	B.Tech, PGDM-Mgt & Mktg	11.11.2010	56	37	Aggarwal Indotex Ltd.	-
Mr. Ravindra Prasad Verma Chief General Manager (HR)	29.74	MBA-HR	01.01.2018	52	34	Shaily Engineering Plastic Ltd.	-
Mr. Niraj Goyal General Manager (Utility)	29.57	B.Tech Mech	16.04.2018	57	29	Essar Projects India Ltd.	-
Mr. Vijay Kumar Jain Chief General Manager (Engineering)	23.87	B.Tech Mech	26.06.2016	54	32	Jindal Polyfils Ltd.	-

* Resigned on 27.05.2020

Notes:

1. The Remuneration received includes Salary, other allowances and 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 is on contractual basis.

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

Place : New Delhi
Date : August 28, 2020

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN:00021934

Annexure - G

Form No. MGT-9

Extract Of Annual Return

as on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration And Other Details

1	CIN	L17119DN1990PLC000091
2	Registration Date	08-08-1990
3	Name of the Company	Filatex India Limited
4	Category / Sub-Category of the Company	Public Company/Limited by shares
5	Address of the Registered office and contact details	Survey No.274, Demni Road, Dadra-396 193 (U.T. of Dadra & Nagar Haveli) Phone No. 260-2668343/8510
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd. F-65, Okhla Industrial Area, Phase-I, New Delhi-110020, Phone No. 011-41406148

II. Principal Business Activities Of The Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyester Multifilament yarn	20,203	91.09 %

III. Particulars Of Holding, Subsidiary And Associate Companies:

Sl. No.	Name And Address Of The Company	CIN/GLN/ UEN NO	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
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During the year under review, the Company does not have any holding/subsidiary /associate Company.

IV. Share Holding Pattern (Equity Share Capital Breakup As percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoter and Promoter Group

1	Indian									
a	Individuals/ Hindu Undivided Family	7,83,01,395	—	7,83,01,395	36	8,17,98,602	—	8,17,98,602	37.23	1.23
b	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	4,83,26,080	—	4,83,26,080	22.22	5,13,37,635	—	5,13,37,635	23.37	1.15

d	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)		12,66,27,475	-	12,66,27,475	58.22	13,31,36,237	-	13,31,36,237	60.60	2.52
2	Foreign									
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-	-	-
c	Institutions									
d	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
e	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		12,66,27,475	-	12,66,27,475	58.22	13,31,36,237	-	13,31,36,237	60.60	2.52

B. Public shareholding

1	Institutions									
a	Mutual Funds/ UTI	-	12,500	12,500	0.01	2,70,142	-	2,70,142	0.12	0.11
b	Financial Institutions / Banks	9,59,797	-	9,59,797	0.44	14,99,091	-	14,99,091	0.68	0.24
c	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e	Insurance Companies	-	-	-	-	-	-	-	-	-
f	Foreign Institutional Investors	1,03,87,500	-	1,03,87,500	4.78	1,01,21,500	-	1,01,21,500	4.61	(0.17)
g	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
i	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Any Other (specify)		-	-	-	-	-	-	-	-	-
Sub Total (B) (1)		1,13,47,297	12,500	1,13,59,797	5.22	1,18,90,733	-	1,18,90,733	5.41	0.19
2	Non-institutions									
a	Bodies Corporate	3,06,73,988	56,500	3,07,30,488	14.13	2,17,58,811	18500	2,17,77,311	9.91	(4.22)
b	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	94,58,648	4,15,100	98,73,748	4.54	54,82,246	28,7100	57,69,346	2.63	(1.91)

	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	2,03,67,835	96,000	2,04,63,835	9.41	3,11,00,094	1,21,000	3,12,21,094	14.21	4.8
c	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
d	Any Other									
i	Non Resident Indians (Repat)	4,71,196	-	4,71,196	0.22	6,92,463	-	6,92,463	0.32	0.1
ii	Hindu Undivided Families	18,18,221	-	18,18,221	0.84	22,89,406	-	22,89,406	1.04	0.2
iii	Foreign Companies	-	-	-	-	-	-	-	-	
iv	Clearing Member	4,37,113	-	4,37,113	0.20	2,23,738	-	2,23,738	0.10	(0.1)
v	Foreign Collaborators	-	-	-	-	-	-	-	-	-
vi	Trust	275	-	275	0.00	-	-	-	-	-
vii	Overseas corporate bodies	52,76,358	-	52,76,358	2.43	51,67,507	-	51,67,507	2.35	(0.08)
viii	IEPF	7,26,875	-	7,26,875	0.33	9,21,900	-	9,21,900	0.42	0.09
ix	Director or Director's Relatives	2,01,370	-	2,01,370	0.09	2,82,070	-	2,82,070	0.13	0.04
x	LLP	95,13,249	-	95,13,249	4.37	63,13,195	-	63,13,195	2.87	(1.5)
Sub Total (B)(2)		7,89,45,128	5,67,600	7,95,12,728	36.56	7,42,31,430	4,26,600	7,46,58,030	33.98	(2.58)
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)		9,02,92,425	5,80,100	9,08,72,525	41.78	8,61,22,163	4,26,600	8,65,48,763	39.40	(2.38)
Total (A)+(B)		21,69,19,900	5,80,100	21,75,00,000	100	21,92,58,400	4,26,600	21,96,85,000	100	
C. Shares held by custodians and against which Depository Receipts have been issued										
	Promoter and Promoter group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
Sub Total (C)		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		21,69,19,900	5,80,100	21,75,00,000	100	21,92,58,400	4,26,600	21,96,85,000	100	

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Madhu Sudhan Bhageria	1,93,11,799	8.88	83.27	1,93,11,799	8.79	84.13	(0.09)*
2	Purrshottam Bhaggeria	2,17,36,798	9.99	73.98	2,17,36,798	9.89	74.75	(0.1)*
3	Madhav Bhageria	2,19,24,798	10.08	73.34	2,19,24,798	9.98	74.11	(0.1)*

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

	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

* Decrease in % is due to allotment of shares under ESOP

iv. Shareholding Pattern of top ten Shareholders (other than Promoter Director and Holders of GDRs and ADRs):

	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the company
1	Azimuth Investments Ltd	1,56,25,000	7.18	#	12,97,150	Purchase	1,69,22,150	7.70
2	Janus Infrastructure Projects Pvt. Ltd.	1,35,00,000	6.21	#	5,21,035	Purchase	1,40,21,035	6.38
3	Nouvelle Securities Pvt. Ltd.	99,45,080	4.57	#	9,93,370	Purchase	1,09,38,450	4.98
4	Satsai Finlease Pvt. Ltd.	83,00,000	3.82	NA	Nil	*	83,00,000	3.78
5	Fargo Estates Pvt. Ltd.	82,00,000	3.77	NA	Nil	*	82,00,000	3.73
6	Chaturveda Advisory Services LLP	80,23,489	3.69	#	(20,81,394)	Sale	59,42,095	2.70
7	ELM Park Fund Limited	58,87,500	2.71	#	(1,16,000)	Sale	57,71,500	2.63
8	Nishit Fincap Pvt. Ltd.	49,98,268	2.30	NA	Nil	*	49,98,268	2.28
9	Hypnos Fund Limited	45,00,000	2.07	#	(1,50,000)	Sale	43,50,000	1.98
10	Shefali Bhageria	35,13,500	1.62	#	8,25,000	Purchase	43,38,500	1.97

More than 99.99 % of the shares of the Company are held in dematerialized form, and are widely traded on daily basis. Therefore, the Date wise increase/decrease in shareholding is not indicated.

* Decrease in % is due to allotment of shares under ESOP

v. Shareholding Pattern of Directors including promoter director and Key Managerial Personnel and Holders of GDRs and ADRs):

	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the company
1	Madhu Sudhan Bhageria	1,93,11,799	8.88	NA	Decrease	*	1,93,11,799	8.79
2	Purrshottam Bhaggeria	2,17,36,798	9.99				2,17,36,798	9.89
3	Madhav Bhageria	2,19,24,798	10.08				2,19,24,798	9.98
4	Ashok Chauhan	--	--	17.04.2019	70,000	Allotment	70,000	0.03
5	Swarup Chandra Parija	--	--	---	--	--	--	--
6	Suraj Prakash Setia	100	--	---	--	--	100	--
7	Pallavi Joshi Bakhru	--	--	---	--	--	--	--
8	Brij Behari Tandon	--	--	---	--	--	--	--
9	Rajender Prasad Gupta retired on 15.04.2019	--	--	17.04.2019	1,20,000	Allotment	1,20,000	0.05
10	Anil Dutt Mohla (appointed w.e.f. 30.04.2019 and resigned on 27.05.2020)#	--	--	---	--	--	--	--
11	Raman Kumar Jha	--	--	17.04.2019	45,000	Allotment		
				03.05.2019	21,000	Sale	24,000	0.01

*Increase / Decrease in % is due to allotment of shares under ESOP

V. Indebtedness

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

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	52,283.08	8,118.00	-	60,401.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	132.96	-	-	132.96
Total (i+ii+iii)	52,416.04	8,118.00	-	60,534.04
Change in Indebtedness during the financial year • Addition/(Reduction)				
Net Change	13,923.43	(2,300.00)	-	11,623.43
Indebtedness at the end of the financial year				
i) Principal Amount	65,908.40	5,818.00	-	71,726.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	431.07	-	-	431.07
Total (i+ii+iii)	66,339.47	5,818.00	-	72,157.47

VI. Remuneration Of Directors And Key Managerial Personnel

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sh. Madhu Sudhan Bhageria (MD)	Sh. Purshottam Bhaggeria (JMD)	Sh. Madhav Bhageria (JMD)	Sh. Ashok Chauhan (WTD)	
1	Gross salary					
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,61,600	47,41,600	47,41,600	34,16,040	1,83,60,840
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	17,17,934	17,39,545	16,32,279	-	50,89,758
c	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	2,31,365	2,31,365
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit	48,39,334	48,39,333	48,39,333		1,45,18,000
5	Others, (Retirement Benefits)	-	-	-	-	-
	Total (A)	1,20,18,868	1,13,20,478	1,12,13,212	36,47,405	3,81,99,963
	Ceiling as per the Act	As per Companies Act, 2013 and Schedules thereto				

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

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sh. Suraj Prakash Setia	Sh.Swarup Chandra Parija	Sh. Brij Behari Tandon	Smt. Pallavi Joshi Bakhru	
1	Independent Directors • Fee for attending board / committee meetings • Commission	2,20,000	2,20,000	2,35,000	1,80,000	8,55,000
	Total (1)	2,20,000	2,20,000	2,35,000	1,80,000	8,55,000
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	2,20,000	2,20,000	2,35,000	1,80,000	8,55,000
	Total Managerial Remuneration	As per Companies Act, 2013 and Schedules thereto				3,90,54,961

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO		
			Raman kumar Jha	Rajender Prasad Gupta*	Anil Dutt Mohla#	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not applicable	10,68,468	12,03,875	32,41,114	55,13,457
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-	-
2	Stock Option		66,612	-	-	66,612
3	Sweat Equity		-	-	-	-
4	Commission - as % of profit	-	-	-	-	
5	Others	-	-	-	-	
	Total		11,35,080	12,03,875	32,41,114	55,80,069

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

* retired on 15.04.2019

appointed w.e.f. 30.04.2019 and resigned on 27.05.2020

VII. Penalties / Punishment / Compounding of Offences :NIL

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

For and on behalf of the Board of Directors

Place : New Delhi

Date : August 28, 2020

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 March 31, 2020.

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 2019 to 31st March 2020
- 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)
20203	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 : ₹ 43.94 Crore

2. TOTAL TURNOVER : ₹ 2,782.07 Crore

3. TOTAL PROFIT AFTER TAXES : ₹ 121.48 Crores

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

The Company has spent ₹102.43 lakhs on Corporate Social Responsibility (CSR) activities in FY19-20 which amounts to 1.65% 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:

- Education
- Swachh Bharat Abhiyan
- Bharat Ke Veer
- Health Facilities
- Promotion of Sports
- Environment Sustainability

SECTION C: OTHER DETAILS

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

As at March 31, 2020, 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 SUBSIDIARY COMPANY(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:

Sr.	Particulars	Details
1	DIN Number	00021934
2	Name	Mr. Madhu Sudhan Bhageria
3	Designation	Chairman & Managing Director

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

a) Details of Compliance (Reply Y/N)

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

[illegible]

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/policies/>

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 advocating 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 this year, 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 believes, 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: www.filatex.com. Additionally, as part of HR policy, the Company has framed/circulated policies which deal with (i) Ethics at work place; and (ii) restraining giving and receiving of gifts and other benefits in the course of 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 upto 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 by product from both internal and external sources, reducing carbon foot-print and becoming more energy efficient.

The Company is also in the process of setting up a 1.4 MW rooftop Solar Power plant at Dahej & 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 local 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 developing a chemical recycling process technology for regeneration of polymer from its yarn waste. Other than this, the Company operates on a Zero Discharge policy.

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

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

1. Please indicate the total number of employees:

2633 permanent employees as on March 31, 2020.

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

1546 employees as on March 31, 2020.

3. Please indicate the number of permanent women employees:

17 women employees as on March 31, 2020.

4. Please indicate number of permanent employee with disabilities:

1 employee as on March 31, 2020.

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 labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

No cases of child labour, forced labour, involuntary labour, 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?

84% 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.

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 disadvantages, 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, Anti - Sexual Harassment Policy, Labour 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 also 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 2019-20, 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 in the process of setting up a 1.4 MW rooftop Solar Power plant at Dahej & Dadra.

The Company has conducted a special drive 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 has already availed power supply from the grid as major initiatives on clean technology and energy efficiency. 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.

The Company is also in the process of setting up a 1.4 MW rooftop Solar Power plant at Dahej & Dadra.

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 complied 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

PRINCIPLE 7: 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 Association
- Dahej Industrial Association
- Dadra Industrial Association

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. 2019-20 was ₹ 102.43 Lakhs. The major thrust areas for our programmes are:

- Education
- Swachh Bharat Abhiyan
- Bharat Ke Veer
- Health Facilities
- Women Empowerment
- Promotion of sports
- Environment Sustainability

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.



Financial Statements

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, 2020, 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, 2020, 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	<p>Evaluation of Minimum Alternate Tax (MAT) credits</p> <p>The Company has material uncertain tax position regarding set off of MAT credit which involves significant judgment to determine the possible utilization of tax assets amounting to ₹ 7,947.07 lakhs refer note No. 24 of financial Statements.</p>	<p>Principal Audit Procedures</p> <p>In assessing the realisability of MAT credit entitlement, management considered whether some portion or all of the MAT credits will not be realized. The ultimate realization of MAT Credits is dependent upon the generation of future taxable income during the periods taxable incomes exceeds the book profit as per the provisions of the income tax act. This requires the significant judgement. The management considered the scheduled adjustment of MAT credit, projected future taxable income and tax planning strategies in making this assessment. We have considered the projections of the future profitability of the company, as appraised by the Company's bankers for assessing credit limits and the relevant provisions of the income tax act as amended from time to time to test the probability of expected future economic benefit in respect of MAT credit.</p>

2	<p>Allowance for Inventories</p> <p>The Company holds significant inventories and records allowance for identified obsolete inventories. As at 31 March, 2020, the Company's inventories amounted to ₹ 17,173.61 lakhs representing 10.59 % of the Company's total assets. Refer Note No. 11 of financial statements.</p> <p>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.</p> <ul style="list-style-type: none"> • 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. • Perform a line-by-line analysis of remaining item of finished inventory (Inventory properties) to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required. 	<p>Principal Audit Procedures</p> <p>Our audit procedures to assess allowance for inventories included the following:</p> <ul style="list-style-type: none"> • 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 tested the net realizable value of inventory properties selected on a sample basis to recent selling price. • 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.
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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 are 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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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-41A& D 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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.

Place : New Delhi

Date : June 04, 2020

for Arun K. Gupta & Associates

Firm Registration No. 000605N
Chartered Accountants

Gireesh Kumar Goenka

Partner

Membership No. 096655
UDIN-20096655AAAAAF5747

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, 2020 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 and 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, 2020, 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.

Place : New Delhi

Date : June 04, 2020

for Arun K. Gupta & Associates

Firm Registration No. 000605N
Chartered Accountants

Gireesh Kumar Goenka

Partner

Membership No. 096655
UDIN-20096655AAAAAF5747

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 fixed assets:

a. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

b. There is a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the said programme part of the fixed assets have been physically verified by the management during the year. As informed, no material 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 of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. 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.

ii. The management has conducted physical verification of inventory at reasonable intervals and no material discrepancies in inventory were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b)&(iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of investments made, have been complied by the Company. There are no other loans, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

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. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c. Details of the dues outstanding of income-tax, duty of customs, goods & service tax and cess which have not been deposited on account of any dispute as at March 31, 2020 are stated below:-

Sr. No.	Name of the Statute	Nature of Dues	Amt (Rs/ Lakhs)	Period to Which it relates	Forum where Dispute is pending
1	Central Excise Act, 1944.	NCCD on Deemed Exports.	2.77	From July 2004 to Nov. 2004	Commissioner (Appeals) C.E., Vapi
2	Central Excise Act, 1944.	Service Tax Credit before starting of production	51.08	F.Y 2011-12	CESTAT, Ahmedabad
3	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.

4	Central Excise Act, 1944.	Demand of Service Tax credit availed on Sales Commission for the years 2009-10 & 2010-11	15.31	FY's 2009-10 & 2010-11	The Addl. Commissioner, Central Excise, Customs & Service Tax, Vapi
5	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 Apr.-2009 to Apr -2012	Commissioner (Appeals) C.E. , Vapi
6	Customs Act, 1962.	Differential duty on import of chip	14.54	December, 2007	Asst. Commissioner of Customs, Group II, C&D, JNCH, Navi Mumbai
7	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.
8	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
9	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.
10	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 I Silvassa
11	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 Superintendent, Central Ex & Custom, Range-III, Division - V , Bharuch
12	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, Raigarh
13	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

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or banks. The Company does not have any outstanding debenture.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid and provided

managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.

xii. The Company is not a Nidhi Company, this clause is not applicable to the Company.

xiii. According to the records of the Company examined by us and the information and explanation given to us, the Company has complied with section 177 and 188 of the Companies Act 2013 in relation to transaction with

related parties and the details have been disclosed in the Financial Statements as required by applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance

sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.

xv. As per the information & explanations given to us the Company has not entered into any noncash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act, 2013.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi

Date : June 04, 2020

for Arun K. Gupta & Associates

Firm Registration No. 000605N
Chartered Accountants

Gireesh Kumar Goenka

Partner

Membership No. 096655
UDIN-20096655AAAAAF5747

Balance Sheet

As at March 31, 2020

(₹ In lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non - Current Assets			
Property, Plant and Equipment	3	1,11,529.13	92,787.81
Capital work in progress	3	2,510.13	7,147.31
Right of Use Assets	4	4,142.23	-
Other Intangible assets	5	68.13	5.02
Intangible Assets under Development	5	-	60.70
Financial Assets			
Investments	6	3.28	5.56
Loans	7	59.09	43.88
Other Financial Assets	8	470.00	30.06
Income Tax Assets (net)	9	37.67	39.85
Other non-current assets	10	2,878.98	1,662.75
Total Non Current Assets		121,698.64	101,782.94
Current Assets			
Inventories	11	17,173.61	17,268.80
Financial Assets			
Trade receivables	12	11,864.50	9,869.86
Cash & Cash Equivalents	13	312.48	2,415.25
Bank balances (other than cash and cash equivalents)	14	1,864.85	2,005.72
Loans	15	156.69	97.78
Other Financial assets	16	1,693.16	1,247.65
Other current assets	17	7,378.69	6,852.14
Total Current Assets		40,443.98	39,757.20
Total Assets		162,142.62	141,540.14
Equity & Liabilities			
Equity			
Equity Share Capital	18	4,393.70	4,350.00
Other Equity	19	55,094.65	42,857.60
Total Equity		59,488.35	47,207.60
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	20	61,144.77	47,676.01
Lease Liabilities	21	323.06	-
Other financial liabilities	22	117.23	908.58
Provisions	23	724.34	599.49
Deferred tax liabilities (Net)	24	3,782.37	5,882.27
Other non-current liabilities	25	2,603.99	2,392.00
Total Non Current Liabilities		68,695.76	57,458.35
Current Liabilities			
Financial Liabilities			
Borrowings	26	5,752.83	7,017.82

Lease Liabilities	27	36.49	-
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	28	22.69	189.46
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	28	18,580.53	17,709.19
Other financial liabilities	29	8,027.26	8,864.36
Other current liabilities	30	1,194.45	2,599.72
Provisions	31	311.73	284.01
Income Tax Liabilities (net)	32	32.53	209.63
Total Current Liabilities		33,958.51	36,874.19
Total Equity and Liabilities		162,142.62	141,540.14
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

For and on behalf of the Board of Directors of

Filatex India Limited**Gireesh Kumar Goenka**

Partner

Membership No. 096655

Madhu Sudhan Bhageria

Chairman & Managing Director

DIN: 00021934

Madhav Bhageria

Joint Managing Director

DIN: 00021953

Place : New Delhi

Date : June 04, 2020

Raman Kumar Jha

Company Secretary

Statement of Profit And Loss

For the year ended March 31, 2020

(₹ In lakhs)

Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Income:			
Revenue from operations	33	2,78,206.89	2,87,409.78
Other Income	34	1,242.06	1,178.75
Total Income (I)		2,79,448.95	2,88,588.53
Expenses:			
Cost of materials consumed	35	2,21,789.95	2,32,789.54
Purchases of stock-in-trade		3,770.48	2,310.24
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade	36	(4,160.19)	1,355.53
Employee benefits expense	37	7,466.24	6,323.91
Finance cost	38	6,129.39	5,470.35
Depreciation & amortization expense	3,4 & 5	5,126.55	4,497.39
Other Expenses	39	27,127.83	22,978.82
Total Expenses (II)		2,67,250.25	2,75,725.78
Profit/(loss) before exceptional items & tax		12,198.70	12,862.75
Exceptional Items [Profit/(Loss)] (refer note 55)		-	234.22
Profit/(loss) before tax		12,198.70	13,096.97
Tax Expense:			
Current tax	24	2,129.18	2,830.26
Deferred tax	24	(2,077.52)	1,782.11
Total tax expense		51.66	4,612.37
Net profit/(loss) after tax		12,147.04	8,484.60
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		0.00	0.00
B. (i) Items not to be reclassified to profit or loss		0.00	0.00
Re-measurement of defined benefit plans		2.09	(2.83)
(ii) Income tax relating to items not to be reclassified to profit or loss		(0.53)	0.99
Total Comprehensive Income/ (Loss)		12,148.60	8,482.76
Earnings Per Share (EPS) in Rupees (Face value of ₹ 2/- per share)			
-Basic	40	5.53	3.90
-Diluted	40	5.48	3.83
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

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

Gireesh Kumar Goenka
 Partner
 Membership No. 096655

Madhu Sudhan Bhageria
 Chairman & Managing Director
 DIN: 00021934

Madhav Bhageria
 Joint Managing Director
 DIN: 00021953

Place : New Delhi
 Date : June 04, 2020

Raman Kumar Jha
 Company Secretary

Statement of Changes in Equity

As at March 31, 2020

A. Equity Share Capital (Refer Note-18)

(₹ In lakhs)

Equity shares of ₹ 2/- per share (previous year ₹ 2/- per share) issued, subscribed and fully paid	Number of Shares	Amount
As at April 01, 2018	4,35,00,000	4,350.00
Increase on account of Share Split	17,40,00,000	-
As at 31st March 2019	21,75,00,000	4,350.00
Shares issued on exercise of employee stock options during the year	21,85,000	43.70
As at 31st March 2020	21,96,85,000	4,393.70

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 April 01, 2018	-	1,253.11	1,250.00	9,734.30	350.43	61.34	21,550.44	34,199.62
Profit for the Year	-	-	-	-	-	-	8,484.60	8,484.60
Share based compensation to employees	-	-	-	-	-	62.16	-	62.16
Subscription to stock option scheme [refer note ii]	113.06	-	-	-	-	-	-	113.06
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	-	(1.84)	(1.84)
Total Comprehensive Income for the year	113.06	-	-	-	-	62.16	8,482.76	8,657.98
Balance as at March 31, 2019	113.06	1,253.11	1,250.00	9,734.30	350.43	123.50	30,033.20	42,857.60
Impact on account of adoption of Ind AS 116 [Refer Note 47]	-	-	-	-	-	-	(43.77)	(43.77)
Restated Balance as at March 31, 2019	113.06	1,253.11	1,250.00	9,734.30	350.43	123.50	29,989.43	42,813.83
Profit for the Year	-	-	-	-	-	-	12,147.04	12,147.04
Share based compensation to employees	-	-	-	-	-	47.76	-	47.76
Shares issued on exercise of employee stock options	(161.69)	-	-	117.99	-	-	-	(43.70)
Transfer to general reserve on exercise of stock options	-	-	-	-	45.63	(45.63)	-	-
Subscription to stock option scheme [refer note ii]	128.16	-	-	-	-	-	-	128.16
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	-	1.56	1.56
Total for the year	(33.53)	-	-	117.99	45.63	2.13	12,148.60	12,280.82
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

i) Date of Allotment of Filatex ESOS - 2015 "ESOS" (Second Vesting) is 15th April, 2020. An amount of ₹ 48.63 Lakhs pertains to first vesting and an amount of ₹ 79.53 Lakhs pertains to second vesting.

i) Date of Allotment of Filatex ESOS - 2015 "ESOS" (Second Vesting) is 15th April, 2020. An amount of ₹ 48.63 Lakhs pertains to first vesting and an amount of ₹ 79.53 Lakhs pertains to second vesting.

ii) Refer note 19 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 Arun K. Gupta & Associates

Firm Registration No. 000605N

Chartered Accountants

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

Gireesh Kumar Goenka

Partner

Membership No. 096655

Madhu Sudhan Bhageria

Chairman & Managing Director

DIN: 00021934

Madhav Bhageria

Joint Managing Director

DIN: 00021953

Raman Kumar Jha

Company Secretary

Place : New Delhi

Date : June 04, 2020

Cash Flow Statement

For the year ended March 31, 2020

(₹ In lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Cash flow from operating activities		
Net profit / (loss) before tax	12,198.70	13,096.97
Adjustments for:		
- Depreciation/amortization	5,126.55	4,497.39
- Loss/(profit) on Property, Plant & Equipment sold/discarded (net)	3.03	(17.51)
- Employee Stock Option expense	47.76	62.16
- Remeasurement of Employee Benefit Expenses	2.09	(2.83)
- Investment Written off	-	11.68
- Unrealised foreign exchange Loss/ (profit) (net)	2,000.00	(811.94)
- Unrealised Marked to Market (Gain)/Loss	(562.30)	410.06
- Provisions/liabilities no longer required, written back (net)	(16.30)	(44.22)
- Processing Fees on Long term Loans	437.07	514.43
- Exceptional Items (Profit on sale of land)	-	(234.22)
- Provision for Doubtful Debts	16.93	-
- Bad Debts Written off	23.71	-
- Interest expense	2,666.17	3,403.47
- Interest income	(403.17)	(484.91)
- Dividend income	(52.09)	(12.24)
Operating profit before working capital changes	21,488.15	20,388.29
Movements in working capital :		
Decrease/ (increase) in trade receivables	(1,823.89)	7,166.78
Decrease/ (increase) loans and advances/other current assets	(927.78)	(158.22)
Decrease/ (increase) in inventories	95.19	2,101.59
Increase / (decrease) in trade & other payable / provisions	(870.24)	(1,677.86)
Cash generated from operations	17,961.43	27,820.58
Direct taxes paid (net of refunds)	(2,304.10)	(2,710.69)
Net cash flow from operating activities (a)	15,657.33	25,109.89
Cash flow from investing activities		
Purchase of Property, Plant & Equipment (Including Capital Advances & CWIP)	(24,025.90)	(8,664.01)
Proceeds from sale of Property, Plant & Equipment (Including advances received)	20.77	161.10
Purchase of Investment	-	(5.56)
Sale of Investment	2.28	0.06
(Increase)/Decrease in deposits	167.57	(347.86)
(Increase)/Decrease in unpaid Dividend Account	1.66	2.64
Interest received	363.18	496.82
Dividend received	52.09	12.24
Net cash flow from/(used in) investing activities (b)	(23,418.35)	(8,344.57)
Cash flow from financing activities		
Proceeds from exercise of Share option (including share application money)	128.16	113.06
Proceeds from long-term borrowings from banks	19,280.09	828.41
Proceeds from long-term borrowings from others	-	869.75
Repayment of long term borrowings to Banks	(5,256.48)	(8,753.08)
Repayment of long term borrowings to others	(4,218.88)	(1,135.83)

Net Proceeds/(repayment) from/of short-term borrowings	(1,383.16)	(2,780.29)
Payment of Lease Liabilities	(70.09)	-
Interest paid	(2,821.39)	(4,381.48)
Net cash flow from/(used in) in financing activities (c)	5,658.25	(15,239.46)
Net increase/(decrease) in cash and cash equivalents (a + b + c)	(2,102.77)	1,525.86
Cash and cash equivalents at the beginning of the year	2,415.25	889.39
Cash and cash equivalents at the end of the year	312.48	2,415.25
Components of cash and cash equivalents		
Cash on hand	10.74	13.64
Balance with scheduled Banks :		
- on Current account ^	301.74	2,401.61
- on deposit account	1,864.85	2,004.06
- unpaid dividend accounts *	-	1.66
Cash and Bank Balances	2,177.33	4,420.97
Less: Fixed Deposits not considered as cash and cash equivalents		
- Deposits pledged with banks	1,864.85	2,004.06
- Unpaid dividend account	-	1.66
Cash & Cash Equivalents	312.48	2,415.25

^ Includes ₹ 126.48 Lakhs (previous year ₹ 113.06 Lakhs) that are not available for use by the Company as they represent Share application money including tax received against ESOS.

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liability.

The accompanying notes are an integral part of financial statement.

As per our report of even date
for Arun K. Gupta & Associates
 Firm Registration No. 000605N
 Chartered Accountants

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

Gireesh Kumar Goenka
 Partner
 Membership No. 096655

Madhu Sudhan Bhageria
 Chairman & Managing Director
 DIN: 00021934

Madhav Bhageria
 Joint Managing Director
 DIN: 00021953

Place : New Delhi
 Date : June 04, 2020

Raman Kumar Jha
 Company Secretary

Notes to the Financial Statements

For the year ended March 31, 2020

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 June 04, 2020.

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') under the Historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013 ("The Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and

other relevant provisions of the Act.

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 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.

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 advice received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expects 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.

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. This comprises

expenditure on ERP software license fee and its configuration and customization.

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 1, 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 group 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 a company entity 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 year.

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 fulfillment 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 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 measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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.

Transition

Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for Land and Building. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease

was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at fair value of the leased property. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability.

In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from April 01, 2019 and accordingly carrying amount of lease assets has been reclassified as RoU assets.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining

lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. The comparative information as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under Ind AS- 17 included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in reclassification of Leasehold Land shown under Property, plant and equipment of ₹ 3,883.10 Lakhs to Right of Use asset & recognition of Lease Hold Building as 'Right of Use' asset of ₹ 323.30 lakhs and a lease liability of ₹ 390.58 lakhs. The cumulative effect of applying the standard, amounting to ₹ 43.77 lakhs was debited to retained earnings, net of taxes of ₹ 23.51 lakhs.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12

months of lease term on the date of initial application.

3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

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 by an independent valuer on the basis of Black Scholes 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.

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.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

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 Group 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.

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 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 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.

2.22 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.

2.23 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.

2.24 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.

2.25 Corporate Social Responsibility (CSR) expenditure

The Company charges its CSR expenditure during the year to the statement of profit & loss.

2.26 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

3. Property, Plant and Equipment

(₹ In lakhs)

Particulars	Land		Building	Lease Hold Improvements	Plant & Machinery [refer note (i) and (ii) below	Furniture & Fittings	Vehicles	Office Equipment's	Computer	Total Property, Plant and Equipment's	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Gross Carrying Value as at April 01, 2018	2,806.64	3,950.00	11,384.90	88.84	81,247.09	224.89	342.66	131.48	127.97	100,304.47	258.46	382.91	641.37
Additions	-	-	1,576.89	-	432.52	32.11	169.72	36.39	42.02	2,289.65	1,054.49	6,092.82	7,147.31
Sales/Adjustments	-	-	(89.99)	-	(31.56)	(0.68)	(38.08)	(6.23)	(0.07)	(166.61)	(258.46)	(382.91)	(641.37)
Reclassification from assets held for sale	433.10	-	264.84	-	-	-	-	-	-	697.94	-	-	-
Gross Carrying Value as at March 31, 2019	3,239.74	3,950.00	13,136.64	88.84	81,648.05	256.32	474.30	161.64	169.92	103,125.45	1,054.49	6,092.82	7,147.31
Additions	-	-	3,108.02	-	24,353.49	36.27	152.51	17.00	36.44	27,703.73	393.30	2,116.82	2,510.13
Reclassified on account of adoption of IndAS - 116	-	(3,950.00)	-	-	-	-	-	-	-	(3,950.00)	-	-	-
Sales/Adjustments	-	-	-	-	(8.00)	-	(34.43)	-	-	(42.43)	(1,054.49)	(6,092.82)	(7,147.31)
Gross Carrying Value as at March 31, 2020	3,239.74	-	16,244.66	88.84	105,993.54	292.59	592.38	178.64	206.36	126,836.75	393.30	2,116.82	2,510.13

Particulars	Land		Building	Lease Hold Improvements	"Plant & Machinery [refer note (i) and (ii) below"]	Furniture & Fittings	Vehicles	Office Equipment's	Computer	Total Property, Plant and Equipment's	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Accumulated Depreciation as at April 01, 2018	-	47.38	697.34	14.59	4,863.18	52.11	86.17	57.23	40.07	5,858.07	-	-	-
Depreciation Expenses	-	19.52	496.95*	8.46	3,800.20	34.84	70.21	27.83	38.80	4,496.81	-	-	-
Deductions/Adjustments	-	-	-	-	(2.07)	(0.46)	(9.83)	(4.88)	-	(17.24)	-	-	-
Reclassification from assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2019	-	66.90	1,194.29	23.05	8,661.31	86.49	146.55	80.18	78.87	10,337.64	-	-	-
Depreciation Expenses	-	-	555.80	8.48	4,321.94	28.94	72.95	26.67	40.73	5,055.51	-	-	-
Reclassified on account of adoption of IndAS - 116	-	(66.90)	-	-	-	-	-	-	-	(66.90)	-	-	-
Deductions/Adjustments	-	-	-	-	(0.23)	-	(18.40)	-	-	(18.63)	-	-	-
Accumulated Depreciation as at March 31, 2020	-	-	1,750.09	31.53	12,983.02	115.43	201.10	106.85	119.60	15,307.62	-	-	-
Net Carrying Value as at March 31, 2019	3,239.74	3,883.10	11,942.35	65.79	72,986.74	169.83	327.75	81.46	91.05	92,787.81	1,054.49	6,092.82	7,147.31
Net Carrying Value as at March 31, 2020	3,239.74	-	14,494.57	57.31	93,010.52	177.16	391.28	71.79	86.76	111,529.13	393.30	2,116.82	2,510.13

* Includes ₹ 10.06 Lakhs on reclassification from assets held for sale

i) Plant & Machinery Includes cost of ₹342.93 Lakhs (previous year ₹342.93 Lakhs) of water supply connection from GIDC and ₹ 101.00 Lakhs (Previous Year ₹ 101.00 Lakhs) being cost of electricity transmission lines not owned by The Company being enabling assets.

ii) Foreign Exchange differences on long term foreign currency loans(as permitted by para. D13AA of Ind AS 101) aggregating Loss of ₹ 289.37 Lakhs (Previous year gain ₹ 83.52 Lakhs) capitalised/decapitalised during the year. The accumulated foreign exchange fluctuation capitalised is ₹ 5020.10 Lakhs (Upto Previous year ₹ 4,730.73 lakhs).

iii) Expenditure incurred during construction period ₹ 1400.75 Lakhs (previous year ₹ Nil) and borrowing cost ₹ 728.58 Lakhs (previous year ₹ Nil) has been capitalised. (Refer note 53)

iv) Capital work-in-progress includes expenditure incurred during construction period pending allocation aggregating ₹ 73.59 Lakhs (P.Y. ₹ 369.43 Lakhs) and borrowing cost ₹ 79.65 Lakhs (P.Y. ₹ 172.22 Lakhs) (Refer note 53)

v) Charge has been created against the aforesaid assets for the borrowings taken by The Company. (Refer note 20 and 26)

4. Right of Use Assets

(₹ In lakhs)

Particulars	Land	Building*	Total
Gross Carrying value as at April 01, 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
Gross Carrying Value as at March 31, 2019	-	-	-
Reclassification/Impact on account of adoption of IndAS - 116	3,883.10	323.30	4,206.40
Additions	-	-	-
Disposals	-	-	-
Gross Carrying Value as at March 31, 2020	3,883.10	323.30	4,206.40

Particulars	Land	Building*	Total
Accumulated Depreciation as at April 01, 2018	-	-	-
Depreciation Expenses	-	-	-
Disposals	-	-	-
Accumulated Depreciation as at March 31, 2019	-	-	-
Depreciation Expenses	19.58	44.59	64.17
Disposals	-	-	-
Accumulated Depreciation as at March 31, 2020	19.58	44.59	64.17
Net Carrying Value as at March 31, 2019	-	-	-
Net Carrying Value as at March 31, 2020	3863.52	278.71	4142.23

*Also refer note no. 47

5. Other Intangible Assets

(₹ In lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development
Gross Carrying value as at April 01, 2018	56.74	36.00
Additions	-	24.70
Disposals	-	-
Gross Carrying Value as at March 31, 2019	56.74	60.70
Additions	69.98	-
Disposals/ Capitalised	-	(60.70)
Gross Carrying Value as at March 31, 2020	126.72	-

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development
Accumulated Depreciation as at April 01, 2018	51.14	-
Depreciation Expenses	0.58	-
Disposals	-	-
Accumulated Depreciation as at March 31, 2019	51.72	-
Depreciation Expenses	6.87	-
Disposals	-	-
Accumulated Depreciation as at March 31, 2020	58.59	-
Net Carrying Value as at March 31, 2019	5.02	60.70
Net Carrying Value as at March 31, 2020	68.13	-

i) Intangible Assets under Development comprises of expenditure on computer ERP license fee and it's configuration and customization.

6. Non- Current Investments

(₹ In lakhs)

Particulars	Face value per share	As at		As at	
		March 31, 2020		March 31, 2019	
		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	1,682,000	3.28	2,849,000	5.56
Total			3.28		5.56
Aggregate amount of quoted investments			-		-
Market value of quoted investments			-		-
Aggregate amount of unquoted investments			3.28		5.56
Aggregate amount of impairment in value of Investments			-		6.50
Investment Carried at Fair Value through Profit & Loss			3.28		5.56
Investment Carried at Fair Value through Other comprehensive Income			-		-
Investment Carried at Amortised Cost			-		-

7. Non-Current Financial Assets - Loans

(₹ In lakhs)

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Security Deposits	59.09	43.88
Total	59.09	43.88

8. Non Current Other Financial Assets

(₹ In lakhs)

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Interest Receivable	-	1.70
Deposits with banks remaining maturity of more than 12 months (refer note 14)	-	28.36
Derivative Financial Assets (Foreign currency forward contracts)	470.00	-
Total	470.00	30.06

9. Income Tax Assets (net)

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Income tax recoverable (net of provisions)	37.67	39.85
Total	37.67	39.85

10. Other Non-Current Assets

(₹ In lakhs)

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Capital Advances	2,815.78	1,604.33
Deposit with excise/sales tax department under protest	19.27	40.93
Prepaid expenses	43.93	17.49
Total	2,878.98	1,662.75

11. Inventories (at lower of cost or net realisable value)

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Raw Materials (includes Inventory in Transit ₹ 558.03 Lakhs, previous year ₹ 1,515.42 Lakhs)	2,589.74	7,029.68
Work In Progress	807.55	1,138.94
Finished Goods (Including goods sold in transit ₹ 107.33 Lakhs, previous year ₹ 923.71 Lakhs)	11,375.30	6,883.72
Packing Material	1,282.14	1,093.46
Stores, Spares & Consumables (includes Inventory in Transit ₹ Nil, previous year ₹ 165.71 Lakhs)	1,118.88	1,123.00
Total	17,173.61	17,268.80

During the year ended March 31, 2020 ₹ 634.36 Lakhs (Previous year ₹ 46.43 Lakhs) was recognised as an expense for inventories carried at net realisable value.

Inventories have been pledged as security for borrowings, refer note 20 and note 26 for details

12. Trade receivables

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured *	11,864.50	9,869.86
Trade receivables which have significant Increase in Credit risk	-	-
Trade receivables - Credit impaired	431.51	414.58
	12,296.01	10,284.44
Less: Allowance for doubtful trade receivables	431.51	414.58
Total	11,864.50	9,869.86

* Net of bill discounting ₹ Nil (previous year ₹ 980.59 lakhs) under confirmed Letter of Credits (LC).

There are no trade or other 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 or other 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 20 and note 26 for details.

13. Cash and Cash equivalents

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Cash and cash equivalents		
Balances with Banks *	301.74	2,401.61
Cash on hand	10.74	13.64
Total	312.48	2,415.25

* Includes ₹ 126.48 Lakhs (previous year 113.06 Lakhs) that are not available for use by the Company as they represent Share application money including tax received against ESOS.

14. Bank Balances (other than Cash and Cash equivalent)

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Earmarked balances with bank		
Unpaid dividend a/c *	-	1.66
Other Bank balances :-		
Deposits with original maturity of less than 3 months **	-	172.44
Deposits with original maturity for more than 3 months but upto 12 months **	1,836.49	1,827.62
Deposits with original maturity of more than 12 months **	28.36	32.36
Total (B)	1,864.85	2,032.42
Less : Amount disclosed under non current financial assets (refer note 8)	-	28.36
Total	1,864.85	2,005.72

* These balance are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

** Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank

15. Current Financial Assets - Loans

(₹ In lakhs)

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advances to employees	156.69	97.78
Total	156.69	97.78

16. Other Current Financial assets

(₹ In lakhs)

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Insurance claims receivable	35.32	275.29
Interest Receivable - On FDR	41.69	23.64

Interest Subsidy Receivable	1,523.85	948.72
Derivative Financial Assets (Foreign currency forward contracts)	92.30	-
Total	1,693.16	1,247.65

17. Other Current assets

(₹ In lakhs)

(Unsecured, considered good unless otherwise stated)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advance to suppliers	867.92	793.65
Deposit with related parties (refer note 46)	15.60	15.60
GST Refund claim with statutory authority	985.56	1,556.51
Balance with the statutory/ Government authorities	4,266.03	4,122.28
Export Incentive Receivable	45.51	68.97
Duty Credit Script/ MEIS in hand	16.96	31.78
Prepaid expenses	283.52	107.26
Others	897.59	156.09
Total	7,378.69	6,852.14

18. Equity Share Capital

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Authorised		
30,00,00,000 Equity Shares of Rs 2/- each (31 st March 2019 : 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		
21,96,85,000 Equity Shares of ₹ 2/- each fully paid (31 st March 2019 : 21,75,00,000 equity shares of ₹ 2/- each fully paid)	4,393.70	4,350.00
Total	4,393.70	4,350.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
At the beginning of the Period	217,500,000	4,350.00	43,500,000	4,350.00
Add: Increase on account of Share Split	-	-	174,000,000	-
Add : Shares issued during the Period under ESOP	2,185,000	43.70	-	-
Outstanding at the end of the year	219,685,000	4,393.70	217,500,000	4,350.00

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. Details of shareholders holding more than 5% shares in the Company

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	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	19,311,799	8.79%	19,311,799	8.88%
Purrshottam Bhaggeria	21,736,798	9.89%	21,736,798	9.99%
Madhav Bhageria	21,924,798	9.98%	21,924,798	10.08%
Azimuth Investments Ltd.	16,922,150	7.70%	15,625,000	7.18%
Janus Infrastructure Projects Private Limited	14,021,035	6.38%	13,500,000	6.21%

As per records of the Company including its register of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

d. 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 50)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
e. Shares held by holding company or its subsidiaries/their Associates	Nil	Nil

19. Other Equity

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Capital Reserve	1,253.11	1,253.11
Capital Redemption Reserve	1,250.00	1,250.00
Securities Premium	9,852.29	9,734.30
General Reserve	396.06	350.43
Employee Stock Option Outstanding	125.63	123.50
Retained Earnings (Surplus/(deficit))	42,106.61	30,003.37
Total Reserve and Surplus	54,983.70	42,714.71
Share Application Money received against Filatex ESOS 2015*	79.53	113.06
Other Comprehensive Income (OCI)	31.42	29.83
Total	55,094.65	42,857.60

* Amount includes ₹ 10.73 lakhs (previous year 11.47 lakhs) received from KMP's (refer note 46).

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.

20. Non Current Borrowings

(₹ In lakhs)

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
Secured				
From Banks				
(i) Term Loans				
- Rupee loans	20,619.11		10,937.97	
- Foreign currency loans	11,474.82		7,949.89	
- External Commercial Borrowing (ECB)	25,494.88		21,017.95	
(ii) Vehicle Loans	216.36		176.93	
Total	57,805.17		40,082.74	
Less : Current maturity (refer note 29)	4,747.17		4,723.05	
Net Long Term Borrowings (Banks)		53,058.00		35,359.69
(iii) Buyers credit for capital goods		1,601.80		2,559.89
(iv) From a non banking financial institution				
- Term Loan	748.60		2,622.64	
Less : Current maturity (refer note 29)	81.63		984.21	
Net Long Term Borrowings (NBFC)		666.97		1,638.43
Total Secured Borrowings		55,326.77		39,558.01
Unsecured				
(v) From body corporates*		5,818.00		8,118.00
Total Unsecured Borrowings		5,818.00		8,118.00
Total		61,144.77		47,676.01

* Includes ₹ 900 Lakhs (previous year ₹ 2,125 Lakhs due to related parties (refer note 46))

I. Term loans

a) From banks under consortium arrangement ₹ 32,093.93 Lakhs (net of transaction cost of ₹ 293.76 Lakhs) [previous Year ₹ 18,887.86 Lakhs (net of transaction cost of ₹ 124.75 lakhs)], 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), pledge of 4,87,41,500 equity shares of the face value of ₹ 2/- each of the Company held by the promoters, mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party), personal guarantees of the promoter directors

and Vrinda Bhageria (related party) along with corporate guarantee of SMC Yarns Pvt Ltd (related party). 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)

Rupee loan bear floating interest rate ranging from MCLR plus 1.50% to 2.15% p.a. while Foreign Currency Term Loan (FCTL) bear interest rate of 6 /12 Months Libor + 2.00% to 2.80% p.a. The loans are repayable in ballooning quarterly installments.

b) External Commercial Borrowings (ECB) From Foreign Consortium Banks

(i) ₹ 4,344.95 Lakhs (net of transaction cost ₹ 146.62 Lakhs) [previous Year ₹ 4914.43 Lakhs (net of transaction cost ₹ 224.14 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 installments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% p.a.

(ii) ₹ 14,666.55 Lakhs (net of transaction cost ₹ 990.84 Lakhs) [previous Year ₹ 15,232.96 Lakhs (net of transaction cost ₹ 1,248.80 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 installments that commenced from September 2018 and bear Interest at 6M Euribor + 1.10% p.a.

(iii) ₹ 6,483.38 Lakhs (net of transaction cost ₹ 366.07 Lakhs) [previous Year ₹ 870.56 Lakhs (net of transaction cost ₹ 462.09 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 installments that commenced from March 2019 and bear Interest at 6M Euribor + 0.80% 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 9.15% to 11.50% p.a and repayable in 36 - 60 Equated Monthly installments till Dec 2024

III. Buyers' Credit for capital goods amounting to ₹ 1,601.80 Lakhs (Previous Year ₹ 2,559.89 Lakhs) secured by Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by equitable mortgage created 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 inventories, book debts, vehicles, plant & machinery acquired through specific loans), pledge of 4,87,41,500 equity shares of the face value of ₹

2/- each of the Company held by the promoter directors, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of the promoter directors and Vrinda Bhageria (related party) along with corporate guarantee of SMC Yarns Pvt Ltd (related party) on pari-passu basis. These loans are further secured by second pari passu basis 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). The loan bears floating interest 6/12 Months Libor plus 0.75% to 2.30% p.a.

IV. From a non banking financial institution

₹ 748.60 Lakhs (net of transaction cost ₹ 2.46 Lakhs) [Previous year ₹ 810.90 Lakhs (net of transaction cost ₹ 3.24 Lakhs)] is collaterally secured by mortgage created by way of deposit of title deeds in respect of the immovable property belonging to promoters group, and are further secured by corporate guarantee of Azimuth Investments Limited, Promoter's group company (related party) restricted upto the value of property. The loan carries floating interest rate of RFRR - 9.20% i.e. 12.00% p.a. presently and repayable in 120 equated monthly installments that started from May, 2016.

V. Unsecured Loans - From body corporates carrying interest @ 9% - 14% p.a. and are payable after 15 months to 36 months from the date of receipt.

21. Non Current Lease Liabilities

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Lease Liability (refer note 47)	323.06	-
Total	323.06	-

22. Non Current Financial liabilities

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Dealer's Deposits	117.23	589.70
Derivative Financial Liabilities (Foreign currency forward contracts)	-	318.88
Total	117.23	908.58

23. Non Current Provisions

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provision for Gratuity (refer note 48)	472.51	393.16
Provision for Leave Encashment	251.83	206.33
Total	724.34	599.49

24. Deferred tax liabilities (Net)

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
A. Components of Income Tax Expense		
I. Tax expense recognised to Statement of Profit & Loss		
a) Current Tax :		
- Current year	2,129.18	2,830.85
- Adjustment/(credits) related to previous years (net)	-	(0.59)
Total (a)	2,129.18	2,830.26
b) Deferred Tax		
- Relating to origination and reversal of Temporary differences	(1,195.45)	4,612.96
- Minimum Alternate Tax (MAT) credit entitlement	(882.07)	(2,830.85)
Total (b)	(2,077.52)	1,782.11
Income tax expense reported in the Statement of Profit & Loss (a+b)	51.66	4,612.37
II. Tax on other comprehensive income		
Deferred Tax		
- (Gain)/loss on remeasurement of net defined benefit plans	0.53	(0.99)
Total	0.53	(0.99)
B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting Profit before income tax	12,198.70	13,096.97
India's statutory Income tax rate (%)	34.944%	34.944%
Tax on accounting profit at above rate	4,262.71	4,576.61
Adjustments in respect of Current Income tax of Previous years	-	(0.59)
Non-deductible/(deductible) expenses for Tax purposes		
- CSR expenditure	35.79	40.59
- Depreciation on leasehold land	6.84	4.72
- Difference in Tax rate on sale of Land (Capital Goods)	-	(30.36)
- Employee share based payment expense	16.69	21.72
- Reversal of Deferred tax liability on Fair valuation of land	(4.17)	(3.70)
- Earlier year MAT credit adjustment	0.60	(11.71)

- Effect of deferred tax balances due to the changes in Income tax rate		
- Opening Balance of Deferred tax Liability	(3,470.07)	
- Effect on transaction during the year	(784.26)	
- Other non-deductible expenses	(12.47)	15.09
Income tax expense reported in the statement of Profit & Loss	51.66	4,612.37

i) The tax rate used for calculating deferred tax for FY 2019-20 is 25.168% and FY 2018-19 is 34.944% 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 at 17.462% of the book profit for the financial year 2019-20 and 21.3416% of book profit for the financial year 2018-19.

The Company has evaluated the option of lower tax rates allowed under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, considering the MAT credit available, there is no impact on the provision for Income tax for the year ended March 31, 2020. The Company expects to utilise the deferred tax balances over subsequent periods which have accordingly been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, during the year ended March 31, 2020 the company has reversed deferred tax liability (net) as at March 31, 2020 amounting to ₹ 3,470.07 Lakhs.

C. Movement in Deferred Tax Assets and Liabilities

Particulars	As at April 01, 2018	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2019	Effect of Ind as 116 as on 01.04.2019	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2020
a) Deferred tax liability								
- On property, plant and equipment	11,008.07	2,464.08	-	13,472.15	-	(1,474.80)	-	11,997.35
- On fair value gain/(loss) on Property, Plant & Equipment	1,517.42	(205.07)	-	1,312.35	-	(227.32)	-	1,085.03
Right to use asset	-	-	-	-	112.97	(42.83)	-	70.14
Total deferred tax liabilities	12,525.49	2,259.01	-	14,784.50	112.97	(1,744.95)	-	13,152.52
b) Deferred tax assets								
- On Provision for Doubtful Debts and advances	144.87	-	-	144.87	-	(36.27)	-	108.60
- Lease liability	-	-	-	-	136.48	(45.99)	-	90.49
- On provision for compensated absences (Bonus & Leave encashment)	140.57	49.34	-	189.91	-	(8.70)	-	181.21
- On Gratuity and other Employee Benefits	170.96	29.73	-	200.69	-	(34.04)	-	166.65
- On fair valuation of forward contracts	-	-	-	-	-	-	-	-
- On exchange variation on capital goods charged to P&L	16.24	(174.78)	-	(158.54)	-	421.47	-	262.93
- On unabsorbed depreciation	2,996.85	(2,224.58)	-	772.27	-	(772.27)	-	-
- On deferred Income	718.12	(32.67)	-	685.45	-	(74.23)	-	611.22
Total deferred tax assets before MAT credit entitlement	4,187.61	(2,352.96)	-	1,834.65	136.48	(550.03)	-	1,421.10
Total deferred tax liabilities (Net) before MAT credit entitlement	8,337.88	4,611.97	-	12,949.85	(23.51)	(1,194.92)	-	11,731.42
Less: MAT Credit entitlement	4,220.05	2,847.53	-	7,067.58	-	881.47	-	7,949.05
Total deferred tax liabilities (Net)	4,117.83	1,764.44	-	5,882.27	(23.51)	(2,076.39)	-	3,782.37

D. Unabsorbed tax depreciation can be claimed for an infinite period

25. Non Current Other liabilities

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Deferred Income - Govt. Grant (refer note 49(a))	2,603.99	2,392.00
Total	2,603.99	2,392.00

26. Current Borrowings

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
From Banks (Secured)		
(i) Working Capital :		
- Rupee loans	3,634.65	5,072.21
- Foreign currency loans	2,118.18	1,945.61
Total	5,752.83	7,017.82

I. Working capital loans from consortium member banks 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 pledge of 4,87,41,500 equity shares of the face value of ₹ 2/- each of the Company held by promoter, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of promoter directors and Vrinda Bhageria (related party) along with corporate guarantee of SMC Yarns Pvt Ltd (related party) on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 1.50% to 1.90% p.a and foreign currency working capital loan carry an interest at 6M libor + 2.30% p.a.

II. Bill Discounting: The above does not include bill discounting of ₹ Nil (previous year ₹ 980.59 lakhs) from banks against confirmed letter of credit which has been reduced from Trade Receivables (refer note 12).

27. Current Lease Liabilities

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Lease Liability (refer note 47)	36.49	-
Total	36.49	-

28. Trade payables

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Trade payable		
Dues of other than micro, small & medium enterprises		
- Acceptances - Foreign	1,306.62	1,896.50
- Acceptances - Domestic	-	15,516.25
- Others	17,273.91	296.44
Dues of micro, small & medium enterprises (refer note 44)	22.69	189.46
Total	18,603.22	17,898.65

29. Current Other Financial liabilities

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Current maturity of long term borrowings (refer note 20)		
From Banks (secured)		
(i) Term Loans		
- Rupee loans	1,177.64	1,876.78
- External Commercial Borrowings	3,492.02	2,785.78
(ii) Vehicle Loans	77.51	60.49
From a Non Banking Financial Institution (secured)		
- Rupee loans	81.63	984.21
Interest accrued ^	431.07	132.96
Security Deposit	110.80	64.03
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	-	1.66
Expenses payable #	1,639.76	335.07
Derivative Financial Liabilities (Foreign currency forward contracts)	-	91.18
Capital Creditors	455.75	1,474.79
Payable other than trade *	561.08	1,057.41
Total	8,027.26	8,864.36

^ Includes ₹ 9.95 Lakhs (previous year ₹ Nil) due to related party (refer note 46).

Amount includes ₹ 89.34 lakhs (previous year ₹ 85.40 lakhs) payable to KMP's (refer note 46).

* Amount Includes ₹ 1.08 Lakhs (previous year nil) due to related party and ₹ Nil (previous year 19.67 Lakhs) received from KMP's on account of Tax payment on ESOS (refer note 46).

30. Other current liabilities

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advance from customers	442.16	1,774.58
Deferred Income - Govt. grant (refer note 49(a))	121.10	88.03
Custom Duty payable against export obligation	414.66	515.44
Dues to statutory authorities	216.53	221.67
Total	1,194.45	2,599.72

31. Current Provisions

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provision for Gratuity (refer note 48)	189.60	181.13
Provision for Leave Encashment	122.13	102.88
Total	311.73	284.01

32. Income Tax Liabilities (net)

(₹ In lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	32.53	209.63
Total	32.53	209.63

33. Revenue from operations

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Revenue from Contracts with Customers		
Sale of products	273,738.17	284,508.92
Sale of traded goods	3,860.04	2,334.78
Other operating revenue	608.68	566.08
Total	278,206.89	287,409.78

Other operating revenue comprising the following :

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Other operating revenue		
Sales of scrap	436.44	409.72
Export incentives earned	172.24	156.36
Total	608.68	566.08

Reconciliation of Gross Revenue with the Revenue from contracts with customers

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Revenue as per Contract Price	280,132.34	289,311.03
Less :- Discounts & Rebates	1,925.45	1,901.25
Net Revenue recognised from contracts with customers	278,206.89	287,409.78

34. Other Income

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Interest Income on		
a) Financial assets held at amortised cost		
Fixed deposits with banks	164.12	130.82
Others	239.05	346.50

b) Others		
Interest on Income Tax refund	-	7.59
Dividend Income		
Dividend on current investment in mutual funds	52.09	12.24
Other non-operating Income		
Net gain on sale of property, plant and equipment [Net of loss of ₹ Nil (previous year ₹ 9.99 Lakhs)]	-	17.51
Net gain on foreign currency transaction and translation	441.83	441.81
Government Grant (Refer note 49(a))	105.94	93.85
Insurance claim	3.96	59.96
Miscellaneous Income	218.77	24.25
Sundry balances written back	16.30	44.22
Total	1,242.06	1,178.75

35. Cost of materials consumed

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Raw Material	211,673.77	223,796.56
Packing Material	9,031.27	8,230.79
Consumables	1,084.91	762.19
Total	221,789.95	232,789.54

36. (Increase)/ decrease in inventories

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Closing stock		
- Finished goods	11,375.30	6,883.72
- Work- In- Progress	807.55	1,138.94
Total	12,182.85	8,022.66
Opening stock		
- Finished goods	6,883.72	8,456.12
- Work- In- Progress	1,138.94	922.07
Total	8,022.66	9,378.19
- Total (increase)/decrease	(4,160.19)	1,355.53

37. Employee benefit expenses

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Salaries, wages and bonus	6,744.10	5,685.25
Contribution to provident & other funds	301.29	245.66
Employee Stock Option expense (refer note 50)	47.76	62.16

Gratuity (refer note 48)	89.75	74.54
Staff welfare expenses	283.34	256.30
Total	7,466.24	6,323.91

38. Finance Cost

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Interest		
- on term loans (refer note 49 (b))	1,746.97	1,831.25
- on working capital & others	839.94	1,536.51
- on lease liabilities	39.06	-
- on defined benefit Plan	40.20	35.71
Exchange difference regarded as an adjustment to borrowing Cost	2,059.01	614.10
Other Borrowing cost	1,404.21	1,452.78
Total	6,129.39	5,470.35

39. Other expenditure

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Manufacturing Expenses		
Consumption of stores and spares	1,803.44	1,337.46
Power & Fuel	19,408.01	15,065.53
Total manufacturing Expenses (A)	21,211.45	16,402.99
Selling Expenses		
Market Development Expenses	49.26	92.57
Freight outward	1,453.84	2,126.27
Commission on sales	2,133.18	2,257.45
Total selling expenses (B)	3,636.28	4,476.29
Administration and other expenses		
Rent	222.34	198.94
Repair & Maintenance - Machinery	275.32	196.98
- Building	103.31	106.85
- Others	202.43	194.58
Insurance	229.02	141.36
Rates & taxes	22.26	36.04
Auditor's remuneration (refer note 43)	20.97	19.41
Investment Written off	-	11.68
Electricity & Water expenses	60.77	64.76
Printing & stationery	45.90	47.72
Postage, telephone & telegram	53.55	50.74
Travelling & conveyance	368.23	316.94
Vehicle running & maintenance	188.28	229.72

Legal & professional charges	224.55	240.29
Director's sitting fees	8.55	8.60
Security services	3.94	6.70
Expenditure towards Corporate Social Responsibility (refer note 42)	102.43	116.15
General expenses	66.78	77.85
Donation & charity (Other than Political Parties)	2.18	4.99
Advertisement & publicity	15.48	12.71
Membership & subscription	20.14	16.53
Loss on sale/discarding of Property, Plant & Equipment [Net of profit of ₹ 3.76 Lakhs (previous year Nil)]	3.03	-
Provision for Doubtful Debts	16.93	-
Bad Debts Written Off	23.71	-
Total administrative & other expenses (C)	2,280.10	2,099.54
Total (A + B + C)	27,127.83	22,978.82

40. Earnings per share (EPS)

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Net profit/(loss) for calculation of basic/diluted EPS (₹ In Lakhs)	12,147.04	8,484.60
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic EPS	219,736,459	217,614,682
Effect of Dilution:		
Effect of dilutive issue of stock option (ESOS)	1,733,522	4,077,200
Weighted average number of shares in calculating Diluted EPS	221,469,981	221,691,882
Nominal Value of each share	2	2
Earning per share:		
Basic (₹)	5.53	3.90
Diluted (₹)	5.48	3.83

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.

41. Contingent liabilities and commitments (to the extent not provided for)

(₹ In lakhs)

i. Contingent liabilities

Particulars	As At	As At
	March 31, 2020	March 31, 2019
A. Claims against The Company not acknowledged as debts		
a. Excise / Custom duty (Mainly relating to reversal of Cenvat credit)	519.57	563.24
b. Amount of duty saved on import of plant & machinery under EPCG scheme on pending export obligations	1,157.37	519.80
c. Other Claims against The Company not acknowledged as debts	434.89	434.89
B. Guarantees		
Letters of Credits	2,540.93	2,289.26

Unexpired Bank Guarantees*	25,267.09	4,381.47
Export Bill Discounting	-	980.59
C. Other money for which The Company is contingently liable	-	-
D. DRI Kolkata has issued Show Cause Notice dated 26.07.2019 raising a demand of ₹ 3,699.03 Lakhs on account of alleged violation of conditions of Notification No.N/N 79/2017 – Cus. dated 13.10.2017. The company filed a writ petition dated 21/09/2020 with Gujarat High Court for stay of proceedings and Hon'ble High Court of Gujarat vide its order dated 04.10.2019 has granted stay. 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.		

* 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 favor (in respect of the items listed in A (a) to A (c) & D above). Hence, no provision is considered necessary against the same.

ii. There are numerous interpretative issues relating to the Supreme Court Judgement on Provident Fund (PF) dated 28th February, 2019. As a matter of caution, the Company has made provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

iii. 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	As At
	March 31, 2020	March 31, 2019
Property, Plant and equipment	7,769.05	7,482.03

b. Other commitments :

Export obligation of Rs 6,944.22 lakhs (previous year ₹ 3,118.80 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.

42. In light of Section 135 of the Companies Act, 2013, The Company has incurred expenses on Corporate Social responsibility (CSR) aggregating to ₹ 102.43 Lakhs (previous year ₹ 116.15 Lakhs).

Disclosure in respect of CSR expenditure is as follows:

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
a. Gross amount required to be spent by the Company during the year	185.13	115.89
b. Amount spent during the year on the following:		
1. Construction/acquisition of asset	-	63.42
2. On purposes other than 1 above	102.43	52.73

43. Statutory Auditor's Remuneration

(₹ In lakhs)

(Net of GST)

Particulars	For the Year Ended	For the Year Ended
	March 31, 2020	March 31, 2019
a. Audit fees (including fees for limited review)	17.00	16.00
b. Tax audit fees	3.00	2.50
c. Certification charges	0.50	0.44
d. Out of pocket expenses	0.47	0.47
Total	20.97	19.41

44. Details of dues to Micro Small & Medium Enterprises Development (MSMED) Act, 2006

(₹ In lakhs)

Particulars	As At	As At
	March 31, 2020	March 31, 2019
i. The principal amount & the interest due thereon remaining unpaid at the end of the year		
Principal Amount	22.69	189.46
Interest Due thereon	-	0.02
ii. Payments made to suppliers beyond the appointed day during the year		
Principal Amount	3.16	79.44
Interest Due thereon	0.04	0.51
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	0.04	0.53
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 and in cases of confirmation from vendors, interest for delayed payments has not been provided.

45. 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.

(₹ In lakhs)

Information About Reportable Segment

Particulars	For the Year Ended	For the Year Ended
	March 31, 2020	March 31, 2019
External revenue in the above reportable business segment	278,206.89	287,409.78

Information About Geographical Areas**a. Revenue from Contracts with Customers disaggregated based on geography**

(₹ In lakhs)

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
Within India	2,38,433.05	,246,336.72
Outside India	39,773.84	41,073.06
Total	2,78,206.89	2,87,409.78

b. Non current assets (other than financial instruments and tax assets)

(₹ In lakhs)

Particulars	As At	As AT
	March 31, 2020	March 31, 2019
Within India	1,21,128.60	1,01,663.59
Outside India	-	-
Total	1,21,128.60	1,01,663.59

c. Information about major customer :

There are no major customers contributing to more than 10% of the total revenue.

46. Related Party Disclosure:**i. Names of related parties and nature of relationships:**

(₹ In lakhs)

a. Key managerial personnel:	
i) Shri Madhu Sudhan Bhageria	(Chairman and Managing Director)
ii) Shri Purshottam Bhaggeria	(Joint Managing Director)
iii) Shri Madhav Bhageria	(Joint Managing Director)
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) w.e.f April 15, 2019
x) Shri Rajendra Prasad Gupta	(Chief Financial Officer) Retired on April 15, 2019
xi) Shri Raman Kumar Jha	(Company Secretary)
b. Relative of key managerial personnel:	
i) Smt. Anu Bhageria	(Wife of related party mentioned at a(i) above).
ii) Smt. Shefali Bhageria	(Wife of related party mentioned at a(ii) above).
iii) Smt. Gunjan Bhageria	(wife of related party mentioned at a(iii) above).
iv) Ms. Vrinda Bhageria	(Daughter of related party mentioned at a(i) above).
v) Mr. Yaduraj Bhageria	(Son of related party mentioned at a(ii) above).
vi) Mr. Vedansh Bhageria	(Son of related party mentioned at a(iii) above).
vii) Ms. Stuti Bhageria	(Daughter of related party mentioned at a(ii) above).
viii) Mr. Gopal Jha	(Brother of related party mentioned at a(xi) above).

c. Subsidiary Company:

a) Filatex Global PTE Ltd. (Till March 07, 2019)

d. 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) Elevate Developer Private Limited

ix) Animate Infrastructure Private Limited

x) Hill Estate Pvt. Ltd.

ii. Transactions with related parties during the year

(₹ In lakhs)

Nature of Transactions		Nature of Relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent paid				
Vrinda Bhageria	Relative of Key Management Personnel		17.76	16.20
Vedansh Bhageria			11.84	10.80
Yaduraj Bhageria			11.84	10.80
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel		24.00	22.80
Maan Softech Private Limited			21.00	19.80
Purrshottam Bhaggeria Family Trust			25.20	24.00
Animate Infrastructure Private Limited			24.60	10.00
SMC Yarns Pvt Ltd			18.00	-
Security service and Maintenance paid				
Hill Estate (P) Ltd.	Enterprises owned or significantly influenced by Key Managerial Personnel		6.60	3.59
Amount Written off				
Filatex Global PTE Ltd.	Investment	Subsidiary Company	-	6.50
	Share Application money		-	5.17
Security Deposit received				
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		9.62	5.18
Rajendra Prasad Gupta			3.70	5.18
Raman Kumar Jha			3.33	1.11

Money received against Tax on perquisite value of ESOP as on the date of exercise				
Ashok Chauhan		Key Managerial Personnel	-	10.29
Rajendra Prasad Gupta			7.18	8.22
Raman Kumar Jha			1.78	1.16
Inter-Corporate Deposit's (ICD's)				
Nouvelle Securities (P) Ltd.	Taken	Enterprises owned or significantly influenced by Key Managerial Personnel	2,275.00	2,100.00
	Repaid		2,700.00	3,000.00
	Interest		42.38	174.47
Janus Infrastructure Projects Private Limited	Taken	Enterprises owned or significantly influenced by Key Managerial Personnel	50.00	800.00
	Repaid		850.00	-
	Interest		23.59	3.95
Managerial Remuneration				
Madhu Sudhan Bhageria		Key Management Personnel		
- Short-term employee benefits			71.58	64.93
- Post-employment benefits			0.22	0.22
- Other long-term benefits*			1.10	0.90
- Termination benefits^			20.00	20.00
- Commission			48.39	46.25
Purrshottam Bhaggeria				
- Short-term employee benefits			64.59	59.00
- Post-employment benefits			0.22	0.22
- Other long-term benefits*			0.96	0.77
- Termination benefits^			20.00	20.00
- Commission			48.39	46.25
Madhav Bhageria				
- Short-term employee benefits			63.52	56.46
- Post-employment benefits			0.22	0.22
- Other long-term benefits*			0.97	0.77
- Termination benefits^			18.20	17.31
- Commission			48.39	46.25
Ashok Chauhan				
- Short-term employee benefits			34.16	33.92
- Post-employment benefits			-	-
- Other long-term benefits*			0.34	0.32
- Termination benefits^			5.02	3.89
- Share-based payment			2.31	3.34
Brij Behari Tandon				
- Director Sitting Fees			2.35	2.20
Swarup Chandra Parija				
- Director Sitting Fees			2.20	2.10
Suraj Prakash Setia				
- Director Sitting Fees			2.20	2.10
Pallavi Joshi Bakhru				
- Director Sitting Fees			1.80	2.20

Rajendra Prasad Gupta	Key Management Personnel		
- Short-term employee benefits		12.02	23.17
- Post-employment benefits		0.02	0.22
- Other long-term benefits*		-	1.73
- Termination benefits^		-	8.00
- Share-based payment		-	2.46
Anil Dutt Mohla			
- Short-term employee benefits		32.19	-
- Post-employment benefits		0.22	-
- Other long-term benefits*		1.39	-
- Termination benefits^		0.20	-
Raman Kumar Jha			
- Short-term employee benefits		10.46	8.49
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		1.07	0.61
- Termination benefits^		1.50	1.21
- Share-based payment		0.67	0.98
Vedansh Bhageria	Relative of Key Management Personnel		
- Short-term employee benefits		8.18	7.50
- Post-employment benefits		0.22	0.20
- Other long-term benefits*		0.91	0.49
- Termination benefits^		0.19	0.07
Stuti Bhageria			
- Short-term employee benefits		15.98	3.96
- Post-employment benefits		0.22	0.05
- Other long-term benefits*		0.55	0.15
- Termination benefits^		0.13	-
Gopal Jha			
- Short-term employee benefits		2.58	1.46
- Post-employment benefits		0.22	0.12
- Other long-term benefits*		0.20	0.08
- Termination benefits^		0.12	0.04
Sponsorship for Management Course			
Vedansh Bhageria	Relative of Key Management Personnel	10.13	32.97

* Post -employment 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	Nature of Relationship	As at March 31, 2020	As at March 31, 2019
Managerial Remuneration (net of TDS)			
Madhu Sudhan Bhageria	Key Management Personnel	29.83	28.35
Purrshottam Bhaggeria		29.93	28.45
Madhav Bhageria		29.58	28.60

Inter Corporate Deposits				
Nouvelle Securities (P) Ltd.	Principal	Enterprises owned or significantly influenced by Key Managerial Personnel	900.00	1,325.00
	Interest		9.17	-
Janus Infrastructure Projects Private Limited	Principal		-	800.00
	Interest		0.78	-

Security service and Maintenance			
Hill Estate (P) Ltd.	Enterprises owned or significantly influenced by Key Managerial Personnel	1.08	-

Share Application Money received (against exercise price of ESOP)			
Ashok Chauhan	Key Managerial Personnel	9.62	5.18
Rajendra Prasad Gupta		-	5.18
Raman Kumar Jha		1.11	1.11

Money received against Tax on perquisite value of ESOP as on the date of exercise			
Ashok Chauhan	Key Managerial Personnel	-	10.29
Rajendra Prasad Gupta		-	8.22
Raman Kumar Jha		-	1.16

Security deposit (Rent)			
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	3.60	3.60
Maan Softech Private Limited		3.00	3.00
Purrshottam Bhaggeria Family Trust		3.00	3.00
Animate Infrastructure Private Limited		6.00	6.00

Pledge of Shares			
Madhu Sudhan Bhageria 1,62,46,500 No. of Shares of ₹ 2 each (previous year - 1,60,80,500 No. of shares of ₹ 2 each)		324.93	321.61
Purrshottam Bhaggeria 1,62,46,500 No. of Shares of ₹ 2 each (previous year - 1,60,80,500 No. of shares of ₹ 2 each)		324.95	321.61
Madhav Bhageria 1,62,46,500 No. of Shares of ₹ 2 each (previous year - 1,60,80,500 No. of shares of ₹ 2 each)		324.95	321.61
Nouvelle Securities (P) Ltd. Nil Shares of ₹ 2 each (previous year - 55,00,000 No. of shares of ₹ 2 each)		-	110.00
Azimuth Investments Ltd Nil Shares of ₹ 2 each (previous year - 22,50,000 No. of shares of ₹ 2 each)		-	45.00

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 06.01.2018)	Enterprises owned or significantly influenced by Key Managerial Personnel	336.00	336.00
Azimuth Investments Ltd (Realisable value of the property as per valuation report dated 14.04.2014)		527.00	527.00
Elevate Developer Private Limited (Realisable value of the property as per valuation report dated 24.03.2017)		-	3,018.00

Satya Bhama Bhageria *	Relative of key Managerial Personnel	866.00	866.00
Anu Bhageria *			
Shefali Bhageria *			
Gunjan Bhageria *			
Vrinda Bhageria #	Key Management Personnel	873.78	841.34
Madhu Sudhan Bhageria #		1,167.10	1,067.36
Purrshottam Bhaggeria #		1,356.80	1,281.16
Madhav Bhageria #		1,538.27	1,501.25

Net worth as on 31st March, 2019 (previous year as on 31st March, 2018)

*Property jointly held by related parties and valuation of property as per valuation report dated 14th April, 2014

No amount has been written off or provided for in respect of transaction with related parties during the year.

Stock options outstanding under ESOS (refer note no. 50)

Sr. No	Key Management Personnel	Grant Date	Exercise Price	No. of options Outstanding as at 31.03.2020	No. of options Outstanding as at 31.03.2019
1	Ashok Chauhan	12-Feb-16	7.40	50,000	180,000
		7-May-18	42.20	87,500	87,500
2	Rajendra Prasad Gupta	12-Feb-16	7.40	-	130,000
		7-May-18	42.20	-	60,000
3	Raman Kumar Jha	12-Feb-16	7.40	15,000	60,000
		7-May-18	42.20	25,000	25,000

47. Leases : Company as a Lessee

(₹ In lakhs)

a. Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings as at 1st April, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(₹ In lakhs)

Particulars	Amount
Increase in lease liability by	272.69
Increase in rights of use by	445.94
Increase/(Decrease) in Deferred tax assets by	23.51
Increase/(Decrease) in Retained Earnings by	(43.77)
Increase in finance cost by	117.89
Increase in depreciation by	122.64

(₹ In lakhs)

Particulars	Amount
Lease commitments as at 31 March 2019	-
Add/(less): contracts reassessed as lease contracts	390.58
Add/(less): adjustments on account of extension/termination	-
Lease liabilities as on 1 April 2019	390.58
Current Lease Liabilities	31.03
Non-Current Lease Liabilities	359.55

Right of use assets of ₹ 323.30 Lakhs and lease liabilities of ₹ 390.58 Lakhs have been recognised as on 1 April 2019.

b. 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 year ended March 31, 2020:

(₹ In lakhs)

Particulars	Amount
Lease liabilities as on 1 April 2019	390.58
Add : Additions	-
Add : Finance cost accrued during the period	39.06
Less : Deletions	-
Less : Payment of lease liabilities	70.09
Lease liabilities as on 31 March 2020	359.55
Lease liabilities included in the statement of financial position	
Current Lease Liabilities	36.49
Non-Current Lease Liabilities	323.06

(₹ In lakhs)

ii. Maturity analysis of lease liabilities :

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2020	As at March 31, 2019
Not later than one year	72.45	-
Later than one year and not later than five years	319.69	-
More than five years	116.64	-
Total undiscounted lease liabilities	508.78	-

(₹ In lakhs)

iii. Amounts recognised in profit or loss

Particulars	As at March 31, 2020	As at March 31, 2019
Interest on lease liabilities	39.06	-
Expenses relating to short-term leases (rent)	222.34	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

48. 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, 2020	For the year ended March 31, 2019
Included in contribution to Provident and Other Funds (Refer Note 37)		
Employer's contribution to Provident Fund/Employees' Pension Fund	300.49	244.29
Included in contribution to Provident and Other Funds (Refer Note 37)		
Contribution paid in respect of Employees' State Insurance Scheme	0.80	1.38

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	As At March 31, 2020	As At March 31, 2019
Present value of obligation	662.11	574.29
Fair value of plan assets	-	-
(Asset)/Liability recognised in the Balance Sheet	662.11	574.29
Net liability-current (Refer Note 31)	189.60	181.13
Net liability-non-current (Refer Note 23)	472.51	393.16
	662.11	574.29

ii. Movements in Present Value of Obligation and Fair Value of Plan Assets (₹ In lakhs)

	Plan Assets	Plan Obligation	Total
As at 1st April, 2018	-	489.20	489.20
Current service cost	-	74.54	74.54
Past service cost	-	-	-
Interest cost	-	35.71	35.71
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	-	5.35	5.35
Actuarial (gain)/loss arising from experience adjustments	-	(2.51)	(2.51)
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/ (settled)	-	-	-
Benefit payments	-	(28.00)	(28.00)
As at 31st March, 2019	-	574.29	574.29
As at 1 st April, 2019	-	574.29	574.29
Current service cost	-	89.75	89.75

Past service cost	-	-	-
Interest cost	-	40.20	40.20
Interest income	-	-	-
Return on plan assets excluding interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.01	0.01
Actuarial (gain)/loss arising from changes in financial assumptions	-	19.34	19.34
Actuarial (gain)/loss arising from experience adjustments	-	(21.48)	(21.48)
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/ (settled)	-	-	-
Benefit payments	-	(40.00)	(40.00)
As at 31st March, 2020	-	662.11	662.11

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, 2020	For the year ended March 31, 2019
Expenses recognised in the Statement of Profit and Loss for the year		
Employee Benefit Expenses :		
Current service cost	89.75	74.54
Past service cost	-	-
Finance costs :		
Interest cost	40.20	35.71
Interest income	-	-
Net impact on profit (before tax)	129.95	110.25
Recognised in other comprehensive income for the year		
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	0.01	-
Actuarial (gain)/loss arising from changes in financial assumptions	19.34	5.35
Actuarial (gain)/loss arising from experience adjustments	(21.48)	(2.51)
Return (gain)/loss on plan assets excluding interest income	-	-
Net impact on other comprehensive income (before tax)	(2.13)	2.84

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, 2020	As at March 31, 2019
Fiancial / Economic Assumptions		
Discount rate (per annum)	6.10%	7.00%
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 (2006-08) Ult.

Withdrawal Rates**Ages (years)**

All ages	20.00%	20.00%
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Notes:-

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020. 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 securities 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, 2020		As at March 31, 2019	
		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%	(21.41)	1.00%	(17.35)
	- Decrease	1.00%	23.19	1.00%	18.74
Salary escalation rate (per annum)	- Increase	1.00%	22.50	1.00%	18.22
	- Decrease	1.00%	(21.16)	1.00%	(17.17)

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, 2020	As At March 31, 2019
Weighted average duration of the defined benefit obligation	5 years	5 years
Expected benefit payments within next-		
I year	189.60	181.13
II year	102.90	80.67
III year	79.99	73.33
IV year	67.98	55.75
V year	54.73	46.27
thereafter	166.90	137.13

c. Other long-term employee benefit obligations

(Included as part of salaries and wages in Note 37 - Employee benefits expense) Includes long term compensated absences.
(Refer Accounting policy 2.12)

49. 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, 2020	For the year ended March 31, 2019
Opening Balance	2,480.03	2,054.09
Add:- Grant received during the year	351.00	519.79
Less:- Grant released to Statement of Profit & Loss	105.94	93.85
Closing Balance	2,725.09	2,480.03
Current (refer note 30)	121.10	88.03
Non-Current (refer note 25)	2,603.99	2,392.00

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 ₹ 313.11 Lakhs (previous year ₹ 320.13 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 ₹ 262.02 Lakhs {previous year ₹ 691.59 Lakhs [including ₹ 422.98 lakhs for the period upto March 31, 2018 recognised during FY 2018-19 upon approval from the competent authority] in accordance with the accounting policy (refer note 2.14)} has been recognised during the year and deducted from the related interest expense.

50. Share Based Payments

I. Employee Stock Option Plans (ESOP)

(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:

Tranche 1

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 ESOP 2015 plan are:

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of Options	Weighted average Exercise Price(₹)	Number of Options	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	2,797,150	7.40	4,325,000	7.40
Granted during the year	-	-	-	-
Exercised during the year	1,731,880	7.40	1,527,850	7.40
Forfeited during the year	-	-	-	-
Lapsed during the year	190,000	-	-	-
Outstanding at the end of the year	875,270	7.40	2,797,150	7.40
Exercisable at the end of the year	105,270	7.40	1,067,150	7.40
Weighted average fair value of options on the date of grant per share	₹ 2.32		₹ 2.13	
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	0.2 years		0.6 years	
The weighted average share price during the period on exercise of options	₹ 36.64		₹ 47.47	

The following tables list the inputs to the models used for ESOS plan for the years ended March 31, 2020 and March 31, 2019 respectively

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend yield (%)	0.00%	0.00%
Expected volatility (%)	1 to 5	1 to 5
Risk-free interest rate (%)	7.524%	7.524%
Weighted Average Share Price (₹)	7.40	7.40
Exercise Price (₹)	7.40	7.40
Expected remaining life of options granted in year	1	2
Model used	Black Scholes	Black Scholes

(II) Employee Stock Option Plans (ESOP)

(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 terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

Tranche 2

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 ESOP 2015 plan are:

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of Options	Weighted average Exercise Price(₹)	Number of Options	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	2,115,000	42.20	-	-
Granted during the year	-	-	2,150,000	42.20
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	120,000	42.20	35,000	42.20
Outstanding at the end of the year	1,995,000	42.20	2,115,000	42.20
Exercisable at the end of the year	-	-	-	-
Weighted average fair value of options on the date of grant per share	₹ 10.44		₹ 10.44	
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	1.8 years		1.8 years	

The following tables list the inputs to the models used for ESOS plan for the years ended March 31, 2020 and March 31, 2019 respectively

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend yield (%)	0.00%	0.00%
Expected volatility (%)	1 to 5	1 to 5
Risk-free interest rate (%)	7.646%	7.646%
Weighted Average Share Price (₹)	42.20	42.20
Exercise Price (₹)	42.20	42.20
Expected remaining life of options granted in year	4	5
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 Rs 47.76 Lakhs (PY ₹ 62.16 Lakhs) in the Statement of Profit & Loss.

51. Particulars of investment made/sold 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, 2020 under Section 186 of the Companies Act, 2013

b. Particulars of Investments Made:

Sr. No	Name of the Investee	(₹ In lakhs)			
		Purchased During the Year		Outstanding Balance	
		2019-20	2018-19	As at March 31, 2020	As at March 31, 2019
1	Bhadreshwar Vidyut Private Limited [For purchase of Electricity]	-	5.56	3.28	5.56

The details of the Investment of the Company are given in note 6

52. 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1. Financial assets at					
a. Fair Value through profit & loss					
Quoted Equity Investments	Level 1	-	-	-	-
Unquoted Equity Investments *	Level 3	3.28	5.56	3.28	5.56
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	562.30	-	562.30	-
b. Fair value through other comprehensive income		-	-	-	-
c. Amortised cost					
Trade receivables	Level 2	11,864.50	9,869.86	11,864.50	9,869.86
Cash & cash equivalents	Level 1	312.48	2,415.25	312.48	2,415.25
Bank balances other than Cash & cash equivalents	Level 1	1,864.85	2,005.72	1,864.85	2,005.72
Loans	Level 2	215.78	141.66	215.78	141.66
Other financial assets	Level 2	1,600.86	1,277.71	1,600.86	1,277.71
2. Financial liabilities at					
a. Fair Value through profit & loss					
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	-	410.06	-	410.06
b. Fair value through other comprehensive income		-	-	-	-
c. Amortised cost					
Borrowings - floating rate	Level 2	66,897.60	54,693.83	66,897.60	54,693.83
Lease Liabilities	Level 2	359.55	-	359.55	-
Trade payables	Level 2	18,603.22	17,898.65	18,603.22	17,898.65
Other financial liabilities	Level 2	8,144.49	9,362.88	8,144.49	9,362.88

* Other than investment in subsidiaries accounted at cost in accordance with Ind AS 27.

Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2019. 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 table 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 analyze 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 customer. 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 customer. 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 customer. 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 loss allowance in respect of trade and other receivables during the year is as follows: (₹ In lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019
Opening Balance	414.58	414.58
Impairment loss recognised	40.64	-
Amount written off as Bad debts	(23.71)	-
Closing Balance	431.51	414.58

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 31st March, 2020						
Borrowings and interest thereon *	71,726.40	16,545.79	28,386.74	23,944.54	21,130.63	90,007.70
Lease Liabilities	359.55	72.45	153.05	166.64	116.64	508.78
Trade payables	18,603.22	18,603.22	-	-	-	18,603.22
Other financial liabilities (excluding current maturities of Long term borrowings)	3,315.69	3,198.46	117.23	-	-	3,315.69
Total Non-Derivative Liabilities	94,004.86	38,419.92	28,657.02	24,111.18	21,247.27	112,435.39
Derivatives						
Other Financial Liabilities	-	-	-	-	-	-
Total Derivative Liabilities	-	-	-	-	-	-

(₹ In lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at 31st March, 2019						
Borrowings and interest thereon *	60,401.09	14,137.41	23,578.01	15,388.89	16,159.70	69,264.02
Trade payables	17,898.65	17,898.65	-	-	-	17,898.65
Other financial liabilities (excluding current maturities of Long term borrowings)	3,655.62	3,065.92	589.70	-	-	3,655.62
Total Non-Derivative Liabilities	81,955.36	35,101.98	24,167.71	15,388.89	16,159.70	90,818.29
Derivatives						
Other Financial Liabilities	410.06	410.06	-	-	-	410.06
Total Derivative Liabilities	410.06	410.06	-	-	-	410.06

* 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 but not due has been included in other financial liabilities.

The above excludes any financial liabilities arising out of financial guarantee contract.

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.

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, 2020	As At March 31, 2019
Secured bank loan facilities with various maturity dates through to 31st March, 2021 and which may be extended by mutual agreement		
- amount used	59,406.97	42,642.63
- amount unused	11,677.00	5,610.06
	71,083.97	48,252.69
Unsecured loans from bodies corporate		
- amount used	5,818.00	8,118.00
- amount unused	2,882.00	2,167.00
	8,700.00	10,285.00
Secured bank overdraft facility		
- amount used	5,752.83	7,017.82
- amount unused	14,247.17	12,982.18
Total	20,000	20,000

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, 2020		As at March 31, 2019	
	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)
Currency				
<i>Borrowings (including current maturities)</i>				
USD	2,124,802	1,601.80	3,700,800	2,559.89
Euro	32,508,783	26,998.41	29,539,586	22,952.97
<i>Interest payable</i>				
USD	11,326	8.54	72,188	49.93
Euro	71,216	59.14	62,396	48.48
<i>Trade Payables & other liabilities</i>				
JPY	4,346,200	30.27	-	-
USD	1,274,420	960.73	682,268	471.93
Euro	443,065	367.96	-	-

Foreign Currency Asset	As at March 31, 2020		As at March 31, 2019	
	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)	Amount in Foreign currency	Indian Rupees (₹ In Lakhs)
Currency				
<i>Trade Receivables</i>				
USD	5,374,639	4,051.72	4,574,843	3,164.48
Euro	27,889	23.16	-	-
<i>Other Receivables</i>				
GPB	20,349.10	18.94	-	-
<i>Balance in EEFC Account</i>				
USD	6,065	4.57	-	-

a. Foreign currency sensitivity analysis :

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD, JPY and Euro 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	31-Mar-20		31-Mar-19	
	Effect on Profit before tax Gain/(Loss)		Effect on Profit before tax Gain/(Loss)	
5% movement	Strengthening of Foreign Currency	Weakening of Foreign Currency	Strengthening of Foreign Currency	Weakening of Foreign Currency
On Foreign Currency Liability (net of Foreign Currency Assets) :				
JPY	1.51	(1.51)	-	-
USD	(74.26)	74.26	(4.14)	4.14
Euro	1,370.12	(1,370.12)	1,150.07	(1,150.07)
GBP	(0.95)	0.95	-	-

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 Company, basis their assessment, believe that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

The following table gives details in respect of outstanding foreign exchange forward contracts:

Outstanding Contracts	Buy/sell	As at March 31, 2020			As at March 31, 2019		
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	18,031,223	13,000.00	13,593.00	16,301,306	11,595.89	11,275.83
in Euro	Buy	-	-	-	560,520	444.29	435.54
in YEN	Buy	-	-	-	12,897,600	81.76	80.64

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

(₹ In lakhs)

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As At March 31, 2020	As At March 31, 2019
Floating rate instruments :		
Borrowings	73,526.24	62,470.56

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, 2020	For the year ended March 31, 2019
Floating rate instruments :		
50 basis points increase	(367.63)	(312.35)
50 basis points decrease	367.63	312.35

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, 2020	As At March 31, 2019
Debt	71,726.40	60,401.09
Lease Liabilities	359.55	-
Cash and Cash equivalents	312.48	2,415.25
Net debt	71,773.47	57,985.84
Total Equity	59,488.35	47,207.60
Capital and net debt	131,261.82	105,193.44
Gearing Ratio (%)	54.68%	55.12%

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

With effect from 01.04.2017, the Company adopted the amendments to Ind AS 7 - Statement of cash flows. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To the extent necessary to satisfy this requirement, an entity discloses the following changes in liabilities arising from financing activities:

- Changes from financing cash flows
- Changes arising from obtaining or losing control of subsidiaries or other businesses
- The effect of changes in foreign exchange rates
- Changes in fair values
- Other changes

Paragraph 44C of Ind AS 7 states that liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

The Company disclosed information about its interest-bearing loans and borrowings. There are no obligations under finance lease and hire purchase contracts.

The amendments suggest that the disclosure requirement may be met by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows. The Company decided to provide information in a reconciliation format. 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.

(₹ In lakhs)

	01.04.2019 (opening balance of current year)	Cash Flows	Non-cash changes				31.03.2020 (closing balance of current year)
			Arising from obtaining or losing control of subsidiaries or other businesses	Foreign exchange movement	Fair value changes	Others	
i. Current interest bearing loans and borrowings (excluding items listed below)	7,017.82	(1,383.16)	-	118.17	-	-	5,752.83
ii. Current maturities of Long term borrowings	5,707.26	(5,707.26)	-	-	-	4,828.80	4,828.80

iii. Non-current interest-bearing loans and borrowings (excluding items listed below)	47,676.01	16,238.43	-	2,059.13	-	(4,828.80)	61,144.77
iv. Interest accrued on borrowings *	132.96	(2,821.39)	-	-	-	3,119.50	431.07
Total liabilities from financing activities	60,534.05	6,326.62	-	2,177.30	-	3,119.50	72,157.47

* Represents Interest expenses including interest capitalised as per Ind AS 23 amounting ₹ 565.32 Lakhs and Interest Subsidy receivable from Central and State government amounting ₹ 960.53 Lakhs

(₹ In lakhs)

	01.04.2018 (opening balance of current year)	Cash Flows	Non-cash changes				31.03.2019 (closing balance of current year)
			Arising from obtaining or losing control of subsidiaries or other businesses	Foreign exchange movement	Fair value changes	Others	
i. Current interest bearing loans and borrowings (excluding items listed below)	9,852.50	(2,780.29)	-	(54.39)	-	-	7,017.82
ii. Current maturities of Long term borrowings	7,066.02	(7,066.02)	-	-	-	5,707.26	5,707.26
iii. Non-current interest-bearing loans and borrowings (excluding items listed below)	54,160.16	56.92	-	(833.81)	-	(5,707.26)	47,676.01
iv. Interest accrued on borrowings ^	111.64	(4,381.48)	-	-	-	4,402.80	132.96
Total liabilities from financing activities	71,190.32	14,170.87	-	(888.20)	-	4,402.80	60,534.05

^ Represents Interest expenses including interest capitalised as per Ind AS 23 amounting ₹ 158.58 Lakhs and Interest Subsidy receivable from Central and State government amounting ₹ 840.75 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.

53. 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 POY Line with ES1 and Texturising Machines 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, 2020	For the year ended March 31, 2019
Raw material consumed	2,201.48	45.14
Other overheads/material consumed	79.23	-
Power & Fuel	607.16	118.79
Sub total (A)	2,887.87	163.93
Payments and benefits to Employee		
Salaries & wages	426.05	140.05
Sub total (B)	426.05	140.05
Operating expenses :		
Insurance expenses	5.60	3.28
Travel and conveyance	53.80	33.13
Legal and professional	52.27	9.76
General expenses	83.99	19.28
Sub total (C)	195.66	65.45
Finance costs *		
Interest on term loan	620.42	158.58
Bank Charges	15.59	13.64

Sub total (D)	636.01	172.22
Less: Sale/ Net realisable value of goods produced during the trial run (E)	2,404.67	-
Total amount (A)+(B)+(C)+(D)-(E)	1,740.92	541.65
Add: Opening balance	541.65	-
Less: Amount capitalised to Property, Plant & Equipment	2,129.33	-
Balance to be carried forward	153.24	541.65

* Interest comprises of

1 ₹ 155.02 Lakhs (Previous year ₹ 1.04 Lakhs) on specific borrowings taken for Plant & machinery

2 ₹ 465.40 Lakhs (Previous year ₹ 157.54 Lakhs) on general borrowings taken for other qualifying assets @ 9% p.a

54 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.

(viii) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on

movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations of the Company's manufacturing locations got temporarily disrupted. In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

55. Exceptional item ₹ Nil (previous year gain of ₹ 234.22 Lakhs) on account of sale of land and building situated at Noida.

56 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

Gireesh Kumar Goenka
Partner
Membership No. 096655

Place : New Delhi
Date : June 04, 2020

Madhu Sudhan Bhageria
Chairman & Managing Director
DIN: 00021934

Raman Kumar Jha
Company Secretary

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

Madhav Bhageria
Joint Managing Director
DIN: 00021953

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Filatex India Limited

Bhageria House
43 Community Centre,
New Friends Colony,
New Delhi- 110025

Ph: +91 11 2631 2503

Fax: +91 11 26849915

www.filatex.com

CIN: L17119DN1990PLC000091