FIL/SE/2023-24/19
1st September, 2023

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051
Security Symbol: **FILATEX**

BSE Limited
Listing Department
25th Floor, Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Security Code: **526227**

Sub.: Annual Report for the Financial Year 2022-23

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III of the said Regulations, please find enclosed herewith Annual Report for the Financial Year ending 31st March 2023 containing Directors' Report alongwith its Annexures, Management Discussion & Analysis Report and Business Responsibility and Sustainability Report, etc. forming part of the said Annual Report.

This is for your information & record please.

Thanking You,

Yours Faithfully,
For FILATEX INDIA LIMITED

RAMAN KUMAR JHA Digitally signed by RAMAN KUMAR JHA Date: 2023.09.01 10:55:36 +05'30'

RAMAN KUMAR JHA
COMPANY SECRETARY

Encl.: a/a

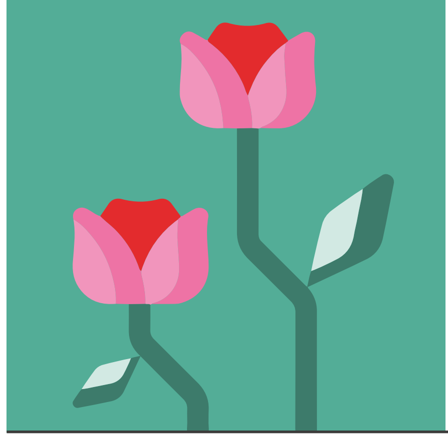
Filatex India Limited

Optimism is Our Faith

Annual Report **2022-23**

Inside the report

His ethics and principles continue to inspire us.



In remembrance of our founding father

Sh. Ram Avtar Bhageria

Founder Chairman (1934-2017)

A man who made sure everything he did was consistent with his morals, principles and goals

A man who always stood on principles, even if he stood alone

A man who communicated by examples that had powerful impact on his people

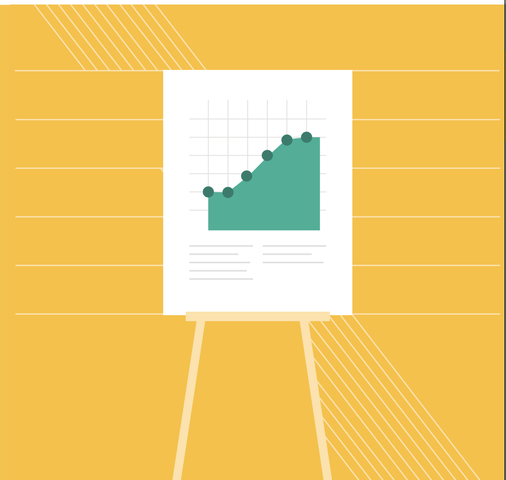
A man who did not do different things but did things differently

*A man to whom **"Every problem was an opportunity in disguise"***

*A meticulous planner who believed that **"Delay is preferable to error"***

Forward looking Statement

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



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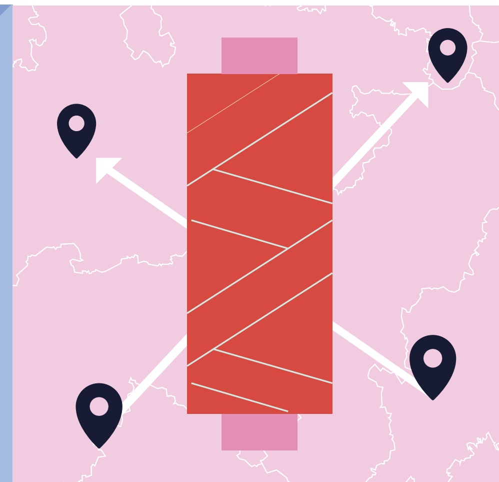
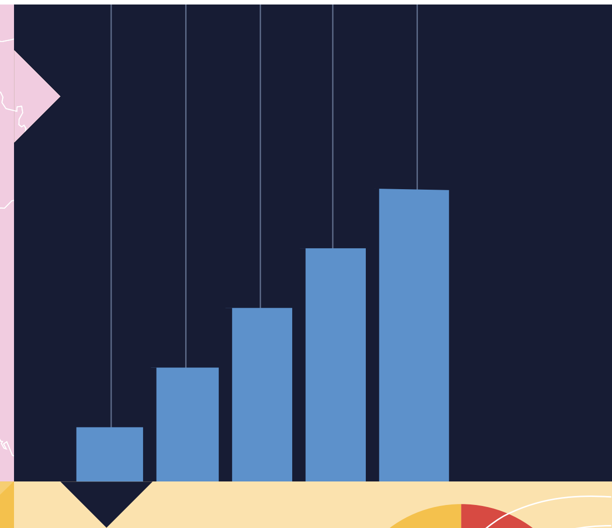
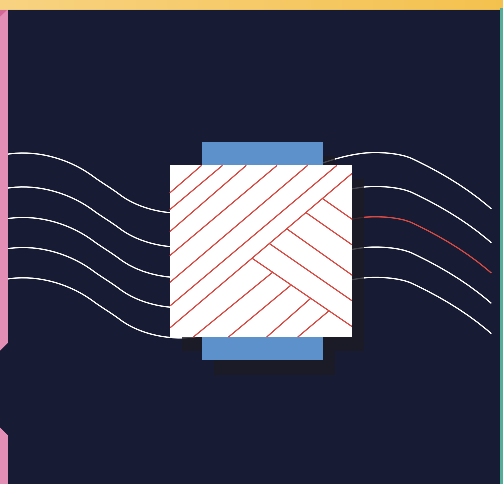




Our Journey pg.04



Product Portfolio pg.06

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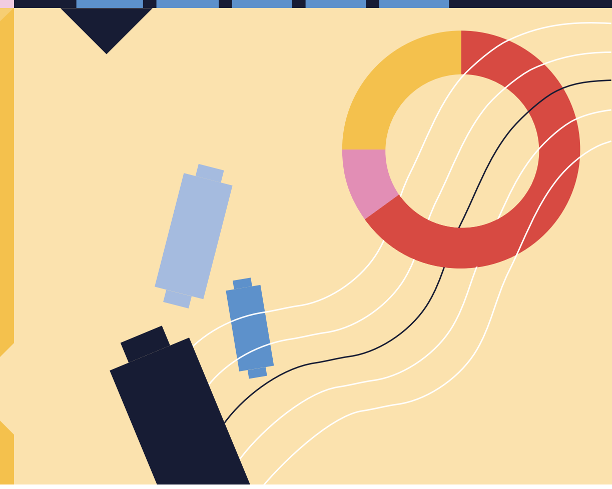


About the Company

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

Initially, Filatex started with a small capacity of 500 TPA in 1994 which today has increased to over 4,00,000 TPA.

CORE GUIDING PRINCIPLES

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

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

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

2500+
Team members embracing culture of integrity and delivering value

A+
Credit Rating

Our Value System

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

Our Vision

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

Our Mission

- To consistently manufacture and deliver products of the utmost quality to our customers
- To maintain an edge over our competitors through consistent product quality and low operating costs
- To encourage people's ownership,empowerment and working under team structure
- To attain the highest level of trust, integrity and honesty in business

About the Company (continued)

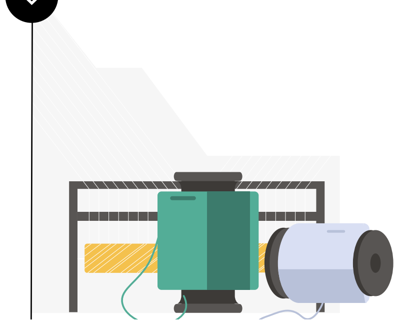
OUR JOURNEY

The promoters – Bhageria Family spent around two decades to become prominent distributors of synthetic yarns. Keen on growing their business, the family decided to make a foray into manufacturing and Filatex was created.

They recognized that the market was dynamic and ever evolving, and they wanted to ensure that Filatex would be positioned to respond to these constant shifts. Their goal was to build a company that could manufacture products to align with the changing demands and expectations of the customers.

30+ Years

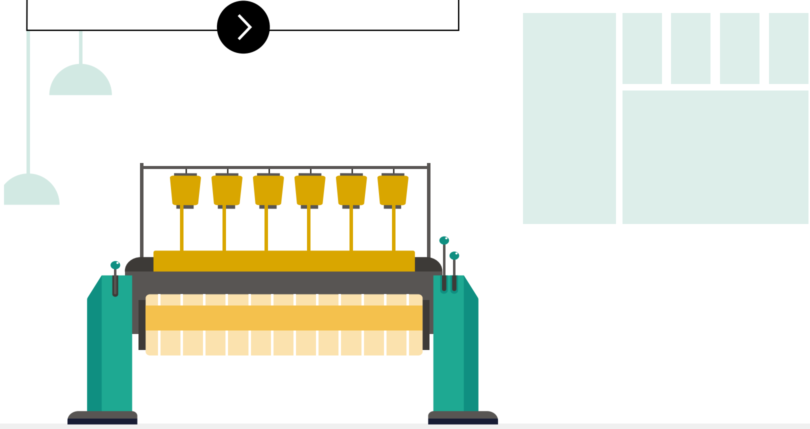
Experience in Manufacturing Yarns



1990
Incorporated in August 1990

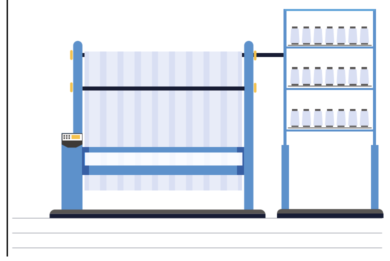
1994
Commenced production of Mono Filament Yarns at Noida

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



1998
Added manufacturing of Polypropylene yarns at Dadra Plant

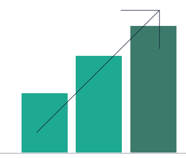
2008
Commenced production of Fully Drawn Yarns (FDY) in Dadra using the latest machines from Barmag, Germany



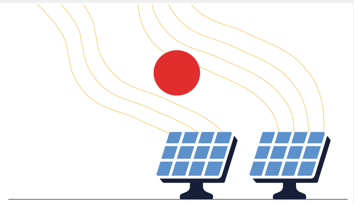
2012
Set-up of Poly-Condensation plant of 600 TPD capacity along with 250 TPD Spinning of POY and balance 350 TPD of Chips at Dahej

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

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



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



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

2021
Commissioned 30 MW Captive Power Plant at Dahej

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

2023
Increased share of renewable energy by sourcing power from a 10.8 MW hybrid wind solar power plant in Rajkot, Gujarat

Polyester - The Preferred Fibre

Polyester is the most widely used fibre worldwide. With an annual production of around 61 million tonnes, polyester had a market share of approximately 54% of global fibre production in 2021.

The global textile industry's reliance on polyester fiber has exponentially increased due to its versatile properties, cost-effectiveness, and durability. It is an integral component of numerous apparel items ranging from casual clothing to high-performance athletic wear.

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

Polyester - The Preferred Fibre

PET Chips (Textile grade)

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

Polypropylene Yarn (PPY)

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

Partially Oriented Yarn (POY)

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

Full Drawn Yarn (FDY)

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

Drawn Textured Yarn (DTY)

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

Air Textured Yarn (ATY)

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

Narrow Woven Fabric (NWF)

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

Product Portfolio (continued)

IMPACTING DAILY LIVES

1 APPAREL

Polyester's widespread use in clothing and apparel can be attributed to its unique combination of characteristics that make it suitable for various applications. Polyester is commonly used in everyday clothing like shirts, trousers, dresses, and jackets. Its wrinkle-resistant property ensures that garments maintain a crisp appearance, while its durability ensures longevity.

The ability to mimic luxurious fabrics such as silk allows polyester to be used in formal wear. With the right treatment, polyester can take on a glossy sheen and smooth texture, making it suitable for suits, blouses, and evening gowns. Durability, stain resistance, and ease of care make polyester a practical choice for children's wear. It can withstand rigorous washing and play without losing its shape or color.

2 WOMEN WEAR AND INNER WEAR

Polyester is widely used in women's wear such as dresses, blouses, skirts, and jackets. It offers a unique blend of durability, elasticity, and resistance to wrinkles, making garments easy to care for and long-lasting. Polyester can be woven or knit to mimic various textures, such as silk or cotton, providing a range of aesthetic choices for designers. Its adaptability to different dyeing and printing techniques also offers endless design possibilities, making it a favorite in women's fashion.

In the inner wear segment, polyester's attributes like moisture-wicking, quick-drying, and flexibility are highly valued. From bras to shape-wear, polyester provides a smooth and comfortable fit that adapts to the body's contours. Its ability to maintain shape over time ensures consistent support and comfort, vital characteristics in inner wear. Furthermore, polyester's resistance to bacteria and odors is an additional advantage in this application. Many modern inner wear products also incorporate blends of polyester with materials like cotton or modal, enhancing the softness and breathability without compromising the functional benefits of polyester.

3 HOME TEXTILES & FURNISHINGS

The use of polyester in home textiles is vast and varied, catering to functional needs while offering aesthetic versatility. Its adaptable nature has allowed it to become a fundamental material in contemporary home décor and furnishing. Whether in the form of a luxurious curtain, a resilient carpet, or a cozy comforter, polyester's presence in the home is both essential and transformative.

Polyester is widely used in the upholstery of sofas, chairs, and other furniture. It offers a strong, durable, and stain-resistant fabric that can withstand daily wear and tear. The ability to mimic textures like silk, suede, or velvet adds to its appeal in home décor.

Polyester is also commonly used in bed linens, comforters, and pillows. Its hypoallergenic nature makes it suitable for sensitive skin, and its durability ensures that bedding maintains appearance and comfort through continuous washing.

The strength and resilience of polyester make it a great choice for carpets and rugs. It can endure heavy foot traffic, resist stains, and maintain its appearance over time. It is also available in various textures and colors, providing ample design choices.

4 ATHLEISURE & OUTERWEAR

In the realm of sportswear and activewear, polyester's moisture-wicking ability is highly valued. This quality enables the fabric to draw sweat away from the skin, keeping the wearer dry and comfortable during physical activities. Its elasticity ensures a snug fit, enhancing performance.

Polyester's resistance to weather conditions makes it suitable for outerwear like coats and jackets. It offers a degree of waterproofing and wind resistance, making it a popular choice for outdoor garments.

5 INDUSTRIAL

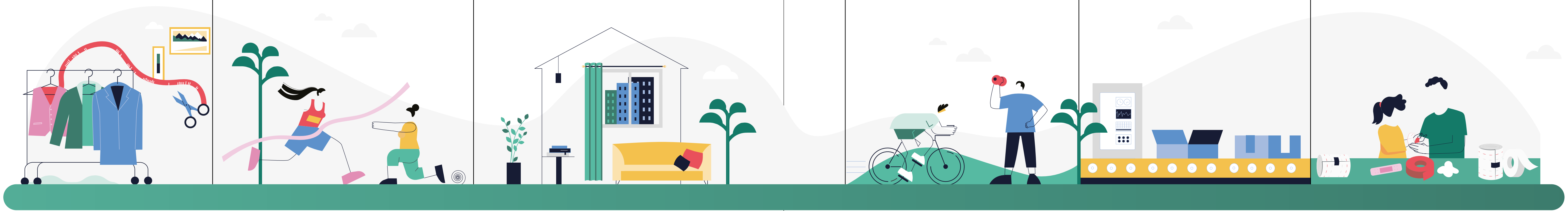
Polyester's utilization in the industrial sector is multifaceted, stemming from its unique properties such as strength, chemical resistance, and adaptability. Its applications range from filtration systems in water treatment and air purification to reinforcement materials in automotive and construction. Polyester's durability makes it suitable for ropes, conveyor belts, and packaging, while its specialized properties allow for use in electrical insulation, medical devices, and renewable energy components.

Whether in everyday industrial products or specialized equipment, polyester's presence across various industries is a testament to its indispensable role in modern manufacturing and technology. Its applications continue to grow and evolve, reflecting both the demands of industry and the trends towards more sustainable practices.

6 HEALTHCARE & MEDTECH

Polyester filament yarn (PFY) plays a vital role in the healthcare sector, meeting diverse needs due to its high tensile strength, flexibility, and biocompatibility. Its applications are extensive, including the production of surgical sutures, wound dressings, medical textiles, and implantable devices like vascular grafts. PFY's ability to be treated with antimicrobial agents and tailored for specific requirements makes it suitable for critical medical applications such as surgical meshes, orthopedic supports, and medical filters.

Furthermore, PFY's adaptability extends to healthcare interiors, where it contributes to hygiene standards through curtains and upholstery that can withstand rigorous cleaning. The use of polyester filament yarn in healthcare not only aligns with the rigorous demands of medical environments but also fosters innovation in patient care. Its wide-ranging applications underscore its indispensable role in healthcare, reflecting the alignment of its unique properties with the specific and multifaceted needs of the medical field.



From the Chairman's Desk

"Throughout FY23, the operating environment was adversely affected by overall macroeconomic and geopolitical upheavals, complexity, and uncertainty due to ongoing political tensions, and sluggish growth in global markets. "

Madhu Sudhan Bhageria
Chairman & Managing Director

Dear Shareholders,

On behalf of the Board of Directors of Filatex, I am pleased to present your company's annual performance for the fiscal year 2022-23.

Throughout FY23, the operating environment was adversely affected by overall macroeconomic and geopolitical upheavals, complexity, and uncertainty due to ongoing political tensions, and sluggish growth in global markets. We managed to reset our sails several times in the face of adversity and efficiently navigated the ship in a choppy business environment through our tested principles of prudence, perseverance, and thrift.

Performance amidst challenges

Your Company has improved its performance, both in terms of capacity utilization as well as Sales. The company achieved its highest production and sales quantities of 3,80,192 MT and 3,82,415 MT, respectively. The revenue from operations was also all-time high at Rs. 4,304 crore as against Rs. 3,828 crore, recording an increase of around 12.43%. The sales volume for the year is 3,82,415 MT against 3,40,665 MT last year indicating a growth of 12.26%. However, our operating profit EBIDTA nosedived to Rs. 232 crore as against Rs. 531 crore, registering a decrease of 56%. Profit before tax (PBT) dropped to Rs. 122 crore against Rs. 458.6 crore, marking a decrease of 73%. Net profit for this year stood at Rs. 88.9 crore against Rs. 303 crore in the last year, showing a decrease of 70.3%.

The operating profits were impacted by several factors including rising input cost of power and fuels, packing materials and consumables. Throughout the year, the margins remained under acute pressure due to large quantities of yarn being imported from China. The "zero-tolerance" policy of China to contain Covid dampened their domestic demand . Even after relaxation on restrictions, the demand for yarns in China failed to gather momentum. Thus, Chinese yarn manufacturers started selling materials to India, Vietnam and other countries across the globe at very low prices. Though the material offered to Indian traders and importers was a minor fraction of China's huge capacities and didn't do much harm to them, but it was enough to almost destroy the domestic manufacturing capacity in India. While we did not cut operating capacity, we could sell only by matching Chinese prices. This situation led to a steep erosion of our margins.

Several representations were made by Indian manufacturers through various associations and industry bodies. Surprisingly, this reality is grossly overlooked. In fact, the textiles yarn segment is not the only one that suffered. Several other industry segments had to face a similar situation. The information opacity relating to price, quantity and quality of these covert imports have made any project' risk assessment difficult and all fresh investment plans are on "hold". It would not be out of place to say that these imports are encouraging trading and assembling business at the cost of manufacturing investment. On one hand, we have a strained relationship due to the geo-political situation and "Atma Nirbhar Bharat" but when it comes to imports from China , the situations seem quite different . Low Chinese prices also affected our exports. Despite slowdown in growth and disruptions in world trade and strained relations with China, imports from China to India were at a record level of over $102.25 billion in FY2022.

The surge in scale and range of Chinese imports, aided and abetted by unscrupulous means including connivance among exporters, importers, clearing agents and customs, has sapped the performance, vitality and innate potential of the yarn sector. An import-dependent consumption, production and trading structure has evolved despite adequate manufacturing capacity. Cheaper imports of low-grade quality yarn and fabrics continue to harm the Indian manufacturers. The Government of India is looking at ways and means through some policy initiative to stem this rot. QCOs on filament yarns have been prepared and are under implementation.

₹4,304Cr
Revenue from operations

A resilient India

India's growth continues to be resilient despite some signs of moderation in growth rate, as per the World Bank in its latest India Development Update. The report notes that although significant challenges remain in the global environment, India has been one of the fastest growing economies in the world. The overall growth remains robust and is estimated to be 6.9% for the full year with real GDP growing 7.7% y-o-y during the first three quarters of FY23. There were some signs of moderation in the second half of FY23. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. The Indian economy continues to show strong resilience to external shocks. Although headline inflation is elevated, it is expected to decline to an average of 5.2% in FY25, amid easing global commodity prices and some moderation in domestic demand. The Reserve Bank of India has withdrawn accommodative measures to rein in inflation by hiking the policy interest rate. India's financial sector also remains strong, buoyed by improvements in asset quality and robust private-sector credit growth.

Emerging trends

The demand for synthetic fibers in the domestic market has been good. We were able to sell and achieve our highest sales volume , that too, against large volumes of low-priced imports from China. The MMF industry in India is witnessing rapid growth. The government, having recognised the importance of synthetic fibers for growth of the textiles business, is now focusing on increasing production of MMF in India, in line with international trends. Under sharp focus is the emerging segment termed as "technical textile". Government policy initiatives like Production Linked Incentives (PLI), RoDTEP, RoSCTL, Mega Textiles Parks are aimed at attracting fresh investments. MMF market in India is dominated by polyester and viscose fibers, with polyester having a much larger share. For growth of the polyester industry, there are some bottlenecks such as shortage of key raw material PTA from domestic suppliers and availability becomes precarious whenever there is unplanned shutdown of any unit.

From the Chairman's Desk (continued)

India has been one of the fastest growing economies in the world. The overall growth remains robust and is estimated to be 6.9% for the full year with real GDP growing 7.7% y-o-y during the first three quarters of FY23.

However, there is no global shortage. Within the policy framework for imports, we are balancing our supply chain to prevent shortage of input materials.

The prospects of the Indian textile industry are bright. The production of textiles and apparels has rapidly increased over the last decade. Rising income levels, increase in population, aspirational lifestyle and fast fashion are some of the leading growth drivers. Polyester, owing to its affordability, durability and versality, is the preferred and most dominant fiber. Despite the challenges of rising input costs, import of low-cost fabric and unforeseen disruptions, the yarn industry is poised for a decent growth. Technical innovations and new product developments strengthen the continued dominant position of polyester vis a vis other fiber.

Minimising environmental impact

To ensure sustainability and reduce environmental impact on the textiles and apparel industry, utilising a sustainable, "circular economy model" is of utmost importance. Be it cotton, viscose or polyester, the textile Industry is generally viewed as one that has an adverse impact on the environment. Sustainability means meeting our own needs without compromising the ability of future generations to meet theirs. The circular economy model is, in brief, a systems' solution framework that tackles global challenges such as climate change, biodiversity loss, waste disposal and pollution. It is one of our topmost priorities to be a contributor to this model.

We are carrying out in-house research work on recycling of polyester waste in all forms. After extensive research and successful lab trial, we now have a pilot plant setup with a capacity of 1500 kgs per day. With this pilot plant, we aim to revalidate our process parameters and more accurately compute the cost of production for recycling. Currently, we have taken trials of spinning the recycled chips produced in our pilot plant and converting it into cloth to test the parameters. The results are positive and encouraging.

6.9%
Indian growth for the full year of FY23

To reduce emissions, we currently source power from rooftop solar power plants – 1 MW at Dahej and 0.91 MW at Dadra as well as 0.9 MW from a third-party hybrid wind solar plant. Committed to reducing our carbon emissions further, we have partnered with a reputed renewable power generation company for a hybrid wind and solar power plant with a capacity of 10.8 MW.

We continue to review our operations for improved efficiency and effective utilization of our assets. We have modified a part of our spinning lines and we are likely to get an additional output of around 25 TPD of yarn. We had identified a demand for cationic chips and have planned to set up a polymerisation capacity of 75 TPD, which will be in addition to our existing capacity. This facility will also have a vapour absorption refrigeration system to utilise the latent heat of water vaporous, a by-product of the process.

We are sensitive to our environmental impact and take every possible step to maintain ecological balance in and around our production facilities.

A skilled, committed workforce

Our most precious asset is our employees. We are committed to providing a work culture that fosters professional as well as personal growth. Our philosophy is empowerment where key people act like owners and take charge of business activities. The Company has implemented policies that nurture talent and provide opportunities for advancement, aligning skills with responsibilities. Our evaluation system is transparent and is based on skills, commitment , sincerity and feedback.

Our philosophy is empowerment where key people act like owners and take charge of business activities. The Company has implemented policies that nurture talent and provide opportunities for advancement, aligning skills with responsibilities.

A strong emphasis on safety, health and environment is the hallmark of our operations. We continue to review our systems to ensure the highest standards of safety in our manufacturing units. With well-designed safety training schedules and programmes, we strive to maintain a safe workplace. We are equally committed to promoting good health and wellness of our employees and their families. We have set up a health centre at our Dahej plant with qualified and well-trained medical staff, including ambulance services. We have made arrangements with hospitals to provide immediate care in cases of emergency. All our employees are covered under our Group Accident Insurance Policy.

Running a responsible business

We are equally sensitive to communities surrounding our plants. As a responsible corporate citizen, we are supporting community development activities. We support all initiatives in the areas of hygiene, healthcare , water and energy conservation, literacy programmes and we strive to maintain cordial relations with local village communities. We endeavour to have a positive impact on the communities where we have our operations.

Hopeful and optimistic about the future

Though we had a tough year, we are optimistic about the prospects of our business. We remain committed to sustainable growth and creating value for our stakeholders.

On behalf of the Board of Directors, I wish to express my sincere gratitude to all our stakeholders including customers, employees, bankers, vendors and business associates for their continued support and the confidence they have reposed in the Company. I also place on record my highest appreciation to Team Filatex for their resilience and in delivering the highest quality of service to our valued customers in these challenging times.

Warm Regards,

Madhu Sudhan Bhageria
Chairman & Managing Director

Our Growth Strategy

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

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

Madhu Sudhan Bhageria
Chairman & Managing Director

Innovative Products and Processes

Technology and innovation are the main contributors to our overall growth.

They are part of our roadmap to making constant improvements and striving to achieve excellence. We leverage them to improve our manufacturing processes and develop new products. Strong manufacturing capabilities and a portfolio of value-added products give us a competitive edge, allowing us to gain market share and customer trust.

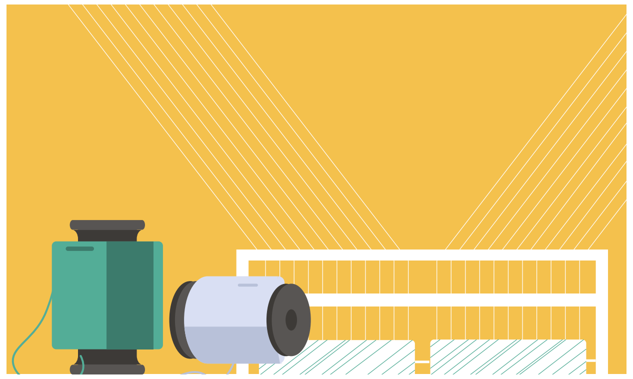
- Continuous optimizations have led us to utilize 97% of our capacities this year
- Dedicated product development unit to enhance our product portfolio
- Digital information system has been developed and implemented to bolster our operational resilience and encourage forecasting and analysis at all levels
- Development of yarns that are currently imported to strengthen the mission of Atma Nirbhar

Prudent Financial Growth

Diligent planning, well within our resources, has allowed us to achieve growth in a consistent and stable manner.

Prudent financial decisions taken over the years have allowed us to reduce our long-term debt significantly. We've also implemented a policy to mitigate exchange risks, aiming to reduce the impact of fluctuations in foreign currencies.

- Detailed and diligent planning has helped us achieve project completion targets without any cost and time overruns
- Arrangement of funds at competitive costs of capital has allowed us to capitalize on opportunities of growth
- A focus on long-term debt reduction has resulted in significant improvement in Debt - Equity ratio over the past few years



Skilled Workforce

A dedicated team with the right skills is essential to establish a successful business.

We are, thus, focused on nurturing our in-house talent and hiring professionals who have the expertise and the passion to grow. We encourage cross-functional interactions amongst plants across locations and also focus on team-building exercises to boost team morale.

- Schedules for in-house training are sacrosanct, guaranteeing that our workforce remains current with technology trends and advancements
- Fire and safety training for all employees and workers
- Computer courses for employees to facilitate operations of ERP and various other internal systems
- Integration and regular communication of inter-department and inter-location teams

Sustainable approach

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

We have undertaken research activities to develop a scalable way to recycle polyester yarn and fabric waste. After extensive research and successful lab trials, we have set up a pilot plant with a capacity of 1.5 tonnes/ day.

- The process parameters of the pilot plant are being studied and optimised for scaling of operations
- Trials are being conducted to recycle the materials used during the process
- Optimising energy requirement to achieve overall economic viability
- Ensuring adherence of Zero Liquid Discharge

Key Performance Highlights

Judicious decision making in times of uncertainty and volatility

Despite the challenging global environment, we recorded growth in terms of sales turnover and production quantities. We also prepaid a share of our term loans in our efforts to reduce leverage.

FINANCIAL & OPERATIONAL PERFORMANCE

Revenue from Operations
(In ₹ Crore)

The revenue from operations grew by 12.43% due to an increase in production and sales quantities.

₹4,303.87Cr

FY23	4,303.87
FY22	3,828.09
FY21	2,227.15
FY20	2,782.07
FY19	2,874.10

Production Quantity
(In MT)

A record high production was achieved in FY 2022-23 while utilizing 97% of the capacities.

3,80,192MT

FY23	3,80,192
FY22	3,41,480
FY21	2,58,693
FY20	3,32,185
FY19	2,79,595

Sales Quantity
(In MT)

Robust demand for Polyester yarn in the domestic market resulted in growth in sales quantities by 12.26%

3,82,415MT

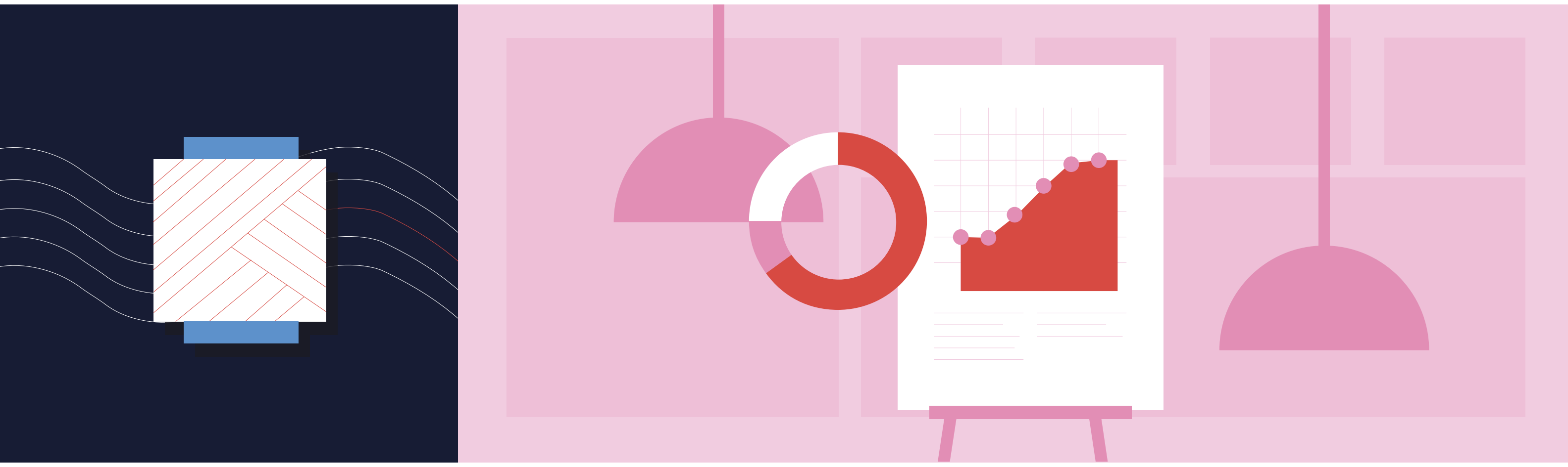
FY23	3,82,415
FY22	3,40,666
FY21	2,59,905
FY20	3,23,545
FY19	2,81,857

Debt to Equity Ratio
(In Times)

Prudent financial management allowed the company to prepay a share of its term loans resulting in improved debt-equity ratio

0.27x

FY23	0.27
FY22	0.33
FY21	0.77
FY20	1.21
FY19	1.28



Sustainable Operations

Being a responsible corporate citizen

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

Prioritising recycling

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

Partnered with a renewable energy company

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

Supported those in need during the pandemic

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

Solar power project

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

Focus on environment conservation

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

Empowering communities

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

In our continued efforts to increase the share of renewable power, the Company is sourcing power from 10.8 MW hybrid wind and solar power project. With the commissioning of this project, the company is estimated to receive 50 million units of renewable power on an annual basis.

Governance Framework

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

Zero
Corruption/bribery cases received

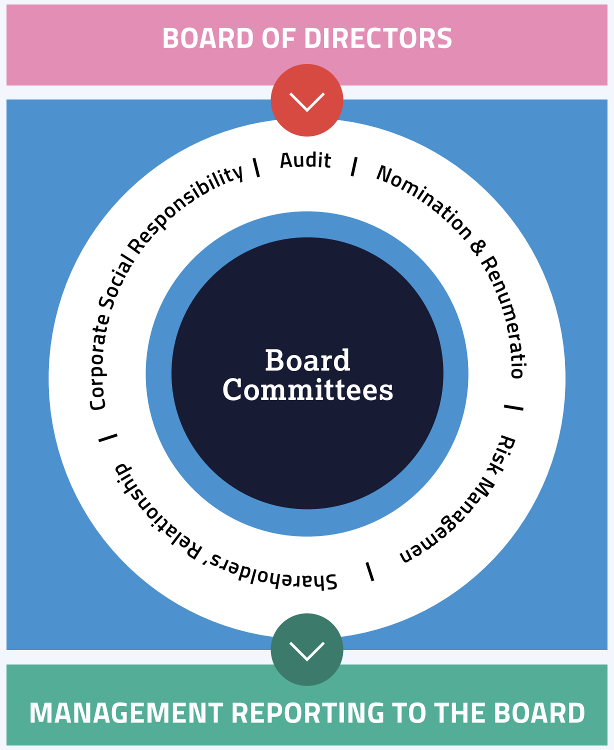
Zero
Whistle-blower cases

14
Board and Board committee meetings held during the year

93.75%
Attendance in Board meetings

50%
Independent Directors

BOARD COMMITTEES FRAMEWORK



ROLES AND RESPONSIBILITIES OF THE COMMITTEES

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

Nomination and Remuneration
Regularly reviews the remuneration of Directors and persons who may be appointed to senior management and key managerial positions.

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

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

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

BOARD OF DIRECTORS

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

Board committees
A: Audit
N: Nomination and Renumeration
R: Risk Management
C: Corporate Social Responsibility
S: Shareholders' Relationship

C Chairperson M Member

Madhu Sudhan Bhageria
Chairman & Managing Director

C R A N

Years of association with Filatex: 33 (Founder)

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

Purrshottam Bhaggeria
Joint Managing Director

C S

Years of association with Filatex: 33 (Founder)

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

Madhav Bhageria
Joint Managing Director and CFO

C

Years of association with Filatex: 33 (Founder)

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

Swarup Chandra Parija
Independent Director

N A S

Years of association with Filatex: 20

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

Suraj Parkash Setia
Independent Director

S N A

Years of association with Filatex: 20

Skills: Rich experience in the textile industry

Pallavi Joshi Bakhru
Independent Director

N A C R

Years of association with Filatex: 10

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

Ashok Chauhan
Whole-time Director

R

Years of association with Filatex: 09

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

Rajender Mohan Malla
Independent Director

A

Years of association with Filatex: 01

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

Management Discussion and Analysis

Global Economy

The future economic environment looks increasingly unpredictable due to a multitude of intricate issues. These encompass instabilities in the financial markets, sustained high inflation rates, enduring implications from the geopolitical conflict with Russia's invasion of Ukraine, incessant interruptions in the supply chain, and the extended impact of the COVID-19 pandemic over the past three years.

The business landscape is likely to face significant hurdles in the quest for recovery in the near future. Primary projections indicate a slow deceleration of economic growth, with an anticipated decline from 3.4% in 2022 to 2.8% in 2023, eventually reaching a steady state at 3.0% in 2024. A different scenario, characterized by further financial sector stress, could see global economic growth drop to approximately 2.5% in 2023.*

Given the moderation in growth rates, the ongoing challenges with inflation, and the persisting uncertainties surrounding debt sustainability and geopolitical events, the strategic outlook will need to be one of vigilance and agility, ready to adapt to these complex circumstances.

Indian Economy

The Indian economy exhibited robust resilience in 2022-23 amidst Covid havoc and global turmoil following the war in Ukraine and recorded a growth of 7%, the highest among major economies in the world. For 2023-24, the Reserve Bank of Inda has maintained its GDP growth projection to be at a stable 6.5%.

However, amidst these promising developments, concerns remain with headline inflation touching 6.7% in 2022-23 well outside the RBI's target of 4%. Measures are being taken such as monetary policy tightening, supply augmenting measures and a favourable base effect to reduce headline inflation.

On the whole, India's economy remains dynamic, adaptable, and poised to navigate the complexities of the global economic landscape.

7%

Indian economy exhibited robust resilience in 2022-23 recording a growth of 7%

*International Monetary Fund - World Economic Outlook

Source: Govt. of India - Economic Survey, RBI – July 2023 Report

Global Textile Industry

The global textile market size was valued at USD1,695.13 billion in 2022 and is anticipated to grow at a compound annual growth rate (CAGR) of 7.6% in terms of revenue from 2023 to 2030. The ever-increasing apparel demand from the fashion industry and the meteoric growth of e-commerce platforms are expected to drive market growth over the forecast period.

Polyester is the most widely used fibre worldwide. With an annual production of around 61 million tonnes, polyester had a market share of approximately 54% of global fibre production in 2021. From performance to price, there are many reasons why brands across the world rely on polyester. Strong, durable, crease-resistant, and quick to dry, it makes up about 80% of all synthetic fibre use and is used widely in clothing, accessories, home furnishings, and footwear. Given its wide use cases and favourable properties, Polyester is expected to witness a growth rate of 7.4% from 2023 to 2030.

Source: Grandview Research, Textile Exchange Report 2022

Recycled Polyester Yarn

Textile consumption has increased over the years due to rising discretionary spending and trends, such as online retail. However, the expansion of the textile industry has a negative impact on the environment due to waste generation. To tackle, the high volumes of waste, international brands are increasing scrutiny of their supply chain practices, which is driving the demand for recycled products.

Due to increased customer awareness and demand for recycled polyester from brands, the production of recycled polyester increased from 8.4 million tonnes in 2020 to 9.0 million tonnes in 2021 which is roughly 15% of the global PET market.

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

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

Source: Textile Exchange Report 2022

Indian Textile Industry

The Indian textile industry is one of the oldest and most significant sectors of the country's economy. The industry plays a crucial role in providing employment, contributing to the GDP, and serving as a vital foreign exchange earner for the nation. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. It stands as the 2nd largest employer in the country, directly employing 45 million people.

The Indian textile industry is a multifaceted sector that encompasses a wide range of activities, including the production of fibres, yarns, fabrics, and finished textile products. Key components of the industry include cotton, silk, jute, wool, and synthetic fibres like Polyester, Nylon, etc. India's role in the textile sector is not limited to production but also extends to being a major consumer. It is one of the largest consumers of cotton globally.

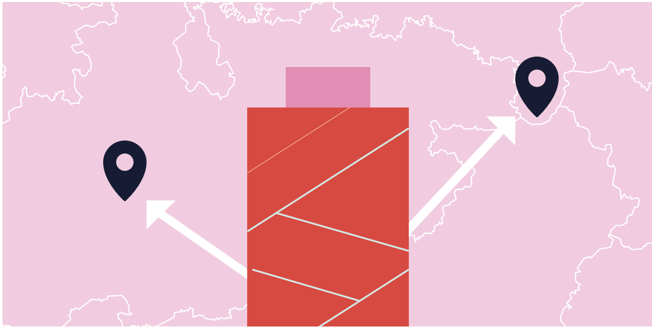
In the last few years, the global textiles business has largely transitioned from cotton to man-made fibres (MMF) and technical textiles with MMF accounting for 70% share in the global fibre consumption with the majority of share held by polyester fibre. The Indian textile industry has also begun to adopt this tactical adjustment. The Indian government is actively supporting the growth of MMF sector in India. In order to make India a major synthetic textile manufacturing hub, the Indian govt. has introduced multiple policies namely Production Linked Incentive (PLI), Mega Investment Textile Parks (MITRA) and National Technical Textiles Mission (NTTM).

Source: Govt. of India - Invest India

Sustainability is also a growing concern in the global textile industry. By promoting organic resources and adopting eco-friendly practices, India may position itself as a pioneer in sustainable textile manufacture. Emphasizing responsible sourcing, reducing water consumption, and implementing cleaner production techniques will meet global sustainability standards and attract conscious consumers who value ethically produced textiles.

Technology integration is critical for India's textile industry to leapfrog into the future. Automation, digitalization, and the Internet of Things (IoT) can significantly enhance efficiency, productivity, and quality control. Investments in state-of-the-art machinery, digitized supply chain management, and advanced textile processing techniques will enable India to compete on a global basis and fulfil the changing expectations of the sector.

By harnessing its rich textile heritage, empowering skilled artisans, implementing supportive policies, strengthening market access, adopting sustainable practices, and embracing technology, India can overcome the challenges and play a key role in the global textile market.



Management Discussion and Analysis (continued)

Indian Polyester Industry

India's man-made fibre (MMF) industry is undergoing rapid expansion, securing the country's position as the second-largest producer of both cellulose fibre/yarn and synthetic fibre on a global scale. The MMF market within India is predominantly led by polyester and viscose, together accounting for nearly 94% of the entire production. Specifically, polyester forms the bulk of this share, contributing approximately 77.5%, with viscose making up 16.5%.

Source: CRISIL report, UN Comtrade

In terms of textile exports, the MMF sector represents 17% of India's total, ranking it as the world's sixth-largest exporter of MMF textiles. There has been a noticeable shift in preference among Indian weavers and spinners towards man-made fibres, which are now used extensively in the manufacturing of non-cotton and blended fabrics. In fact, these fibres constitute almost 100% of such fabric types.

The positioning of the man-made fibre industry in India is robust and poised to stimulate significant growth in the country's textile sector for the foreseeable future. With a self-reliant approach that encompasses the complete value chain, from raw materials to finished clothing, the industry's growth is anticipated to continue at an annual rate of 6%.

GROWTH DRIVERS

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

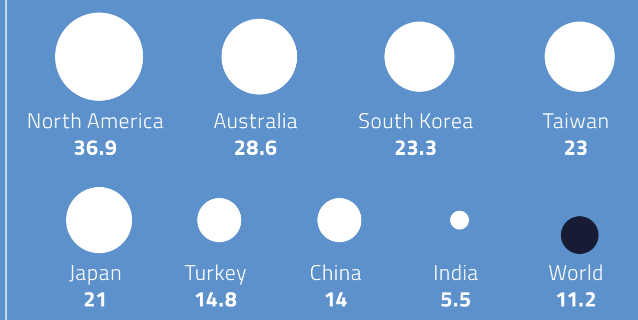
Increasing trend in online retail
Low ticket sizes, deep discounts, the availability of a more comprehensive product range, and shopping festivals have all contributed to significant online sales in recent years. Despite widespread concern about Indian shoppers' preference for touching, feeling, and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

China + 1 strategy
Global brands and retailers have started expanding their manufacturing horizons outside of China in the textiles segment. This presents an opportunity for India. In terms of labour costs, ease of doing business, and skilled workforce, India stands out as an attractive option. This, in conjunction with incentives provided by the Government of India, such as the PLI scheme, which provides incentives for greenfield and brownfield capacity expansion for both MMF and technical textile segments, would further strengthen the positioning of Indian manufacturers.

Lower than world average per capita fiber consumption

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

Region-wise per-capita consumption of all fibres
(In KG/Capita)



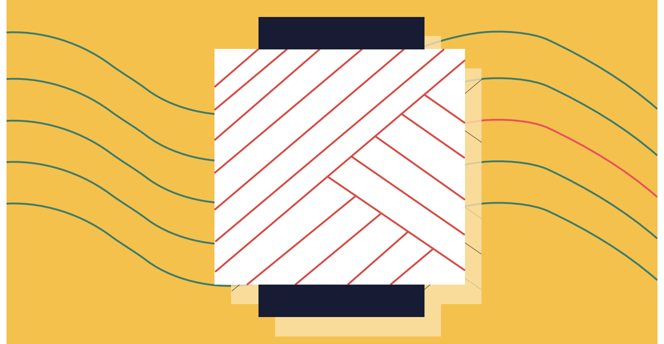
Government Initiatives
New low-cost locations for textile manufacturing are emerging in India with support extended by the government. In addition, initiatives taken by the Government of India, such as Performance-linked (PLI) and Mega Investment Textile Parks (MITRA), will boost MMF-based ready-made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

RISKS & CONCERNS

1 High Volumes of Chinese Imports
Due to low demand in their domestic markets, Chinese manufacturers are exporting high volumes of material across the globe at low-cost to maintain minimum operation levels. High volumes of low-cost Chinese yarn have been flooding the Indian markets for several quarters. This has led to a significant drop in margins for Indian manufacturers who are forced to reduce their prices to match Chinese rates, Indian manufacturers are also facing stiff competition for demand in export markets.

2 Raw Material Availability
The domestic demand in the country for PTA and MEG continues to grow. However, local production capacity has not increased at the same rate. Multiple unplanned and planned shutdowns since September 2020 are causing further shortage in domestic PTA and MEG supply. This has led to a higher dependency on imports to fulfil their raw material requirement.

3 Foreign Currency Fluctuation
The continued depreciation of the Rupee against the Dollar as well as the Euro will put additional pressure on the cost of imports.



Company Overview

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 the emerging garment needs of millions and adds extra mileage to India's developing textile industry. The Company manufactures 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. The Company offers a diverse range of products, including POY, FDY, DTY, ATY, Chips and Narrow Woven Fabric.

In recent times, the Company has showcased consistent growth, generally exceeding the industry standards and earning the esteemed position of the preferred partner for customers in the textiles industry.

Financial Performance

FY23 presented significant challenges for the company, impacted by various macro factors such as the Ukraine-Russia war, a global economic slowdown, and a prolonged COVID lockdown in China. These factors adversely affected market demand and selling prices. The Indian polyester industry also faced tough competition from cheaper Chinese imports in the domestic market, leading to a price war that affected margins for all Indian manufacturers. Despite these obstacles, the company managed to achieve a 97% capacity utilisation on an annual basis. . The company achieved its highest production and sales quantities of 3,80,192 MT and 3,82,415 MT respectively in FY23.

Amidst the challenging market environment, the company showcased prudent financial management, allowing it to prepay a portion of its term loans in FY23. This move resulted in a reduction of the debt-equity ratio from 0.33x in FY22 to 0.27x in FY23.

Key Performance Metrics (FY23 vs. FY22)

- **Revenue from operations**
  ₹4303.87 crores (12.43% increase)
- **Other Income**
  ₹18.14 crores (28.11% decrease)
- **Total Income**
  ₹4322.01 crores (12.16% increase)
- **EBITDA**
  ₹231.98 crores (56.32% decrease)
- **EBITDA Margin**
  5.39% (61.15% decrease)
- **Finance cost**
  ₹59.39 crores (64.95% increase)
- **Depreciation and amortization expenses**
  ₹68.65 crores (8.32% increase)
- **Profit after tax**
  ₹89.90 crores (70.30% decrease)

Increase
Decrease

Management Discussion and Analysis (continued)

Quarterly Performance

In MT	Q1	Q2	Q3	Q4
Production	85,449	97,169	99,969	**97,605**
Sales	83,066	1,01,488	1,00,471	**97,390**

In ₹ Crores	Q1	Q2	Q3	Q4
Revenue from Operations (Net Sales)	1,02,329.32	1,16,342.39	1,07,037.45	**1,04,678.16**
EBITDA	7,430.66	4,626.45	4,443.46	**6,697.57**
PBT (Before exceptional item)	5,849.59	3,407.98	425.38	**2,525.11**
PAT	4,339.77	2,515.92	275.57	**1,858.30**

Key Financial Ratios

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

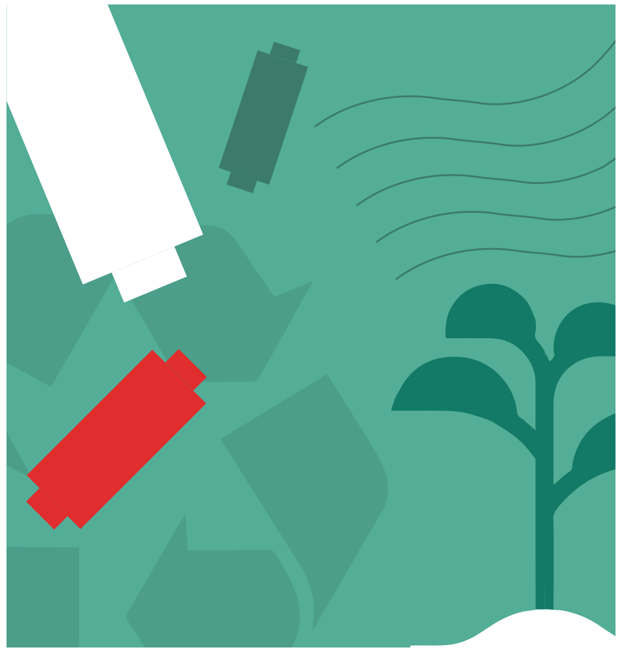
RATIO	FY23	FY22	Change%	Remarks
Debtor Turnover Ratio in days	**11.71**	12.71	-7.89%	
Inventory Turnover Ratio in days	**33.27**	30.04	10.76%	
Interest Coverage Ratio	**7.37**	24.47	-69.87%	A decrease in operating margin due to adverse market conditions led to a decrease in interest coverage.
Current Ratio	**1.27**	1.59	-20.13%	
Debt Equity Ratio	**0.27**	0.33	-18.18%	
Operating Profit Margin	**5.39**	13.87	-61.14%	External factors such as the Russia-Ukraine war and the extended Covid lockdown in China disrupted global supply chains leading to squeezed margins and lower profitability.
Net Profit Margin	**2.09**	7.91	-73.58%	Low-profit margin due to adverse market conditions.
Return on Net Worth	**8.23**	32.76	-74.88%	Low-profit margin due to adverse market conditions.

Human Resources and Industrial Relations

At the heart of the Company's success lies its workforce, which is regarded as its most valuable asset. To ensure the growth and development of employees, the Company has implemented policies that nurture talent and provide ample opportunities for advancement, aligning skills with responsibilities. The HR department evaluates organisational talent based on skill, commitment, and sincerity, emphasising the retention of valuable employees through ESOPs, and a Group Accident Insurance Scheme for all employees.

Maintaining peaceful and cordial industrial relations is vital for enhanced productivity and effectiveness, achieved through consistent and equitable human resource policies. The Company fosters a growth-oriented culture by establishing systems and processes and focussing on high-quality labour recruitment. Transparent performance evaluations and incentive schemes tied to productivity motivate the workforce, resulting in higher productivity levels.

For senior-level promotions and recruitment, the administration of temperament and management aptitude tests helps evaluate soft skills essential for directing the Company's operations. Regular training programmes at all levels improve employees' skill sets and work capabilities, crucial for their personal growth. Additionally, the Company places significant emphasis on developing a succession plan for key positions, extending opportunities for well-qualified, young family members who undergo rigorous operational training.



Internal Control Systems and Their Adequacy

Filatex maintains a robust internal monitoring and control system to ensure operational and process efficiency, protect company assets from unauthorised use, and authorise financial transactions. The internal control system is tailored to suit the Company's size, scope, and operational complexity. Filatex utilises a 'Budgetary Control' system, with routine monitoring of actual performance by the management. The organisational structure, authority matrix, and internal regulations are clearly defined to enhance effectiveness.

This internal control system plays a crucial role in ensuring the accuracy of financial and other records, facilitating the preparation of reliable financial statements and maintaining accurate asset records. To maintain objectivity and independence, an independent agency serves as the Company's Internal Auditor. They conduct 'Operations & Systems' audits following the Audit Committee's guidelines. Internal auditors assess the adequacy and effectiveness of internal control measures, compliance with accounting principles, and statutory requirements.

The results of internal audit reports are reviewed by senior management and the Board's Audit Committee. Based on their recommendations, appropriate compliance measures are implemented to further strengthen the internal control framework.

Cautionary Statement

Investors are advised to exercise caution when reading this discussion, as it contains forward-looking statements that involve potential risks and uncertainties. Words like 'will,' 'shall,' 'anticipate,' 'believe,' 'estimate,' 'intend,' and 'expect,' and similar expressions used in this context are intended to identify such forward-looking statements related to the Company's business.

The Company does not assume any obligation to publicly update or revise these forward-looking statements, whether due to new information, future events, or other factors. It should be noted that actual results, performances, or achievements may differ materially from what is expressed or implied in these statements. Several factors, such as the availability and prices of key raw materials, cyclical demand for products in the markets, changes in Government regulations, exchange rate fluctuations, tax regimes, economic developments in India and other countries where the Company operates, and other incidental factors, may contribute to such differences.

Readers are advised not to place undue reliance on these forward-looking statements, as they reflect the Company's views only as of their respective dates.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting 33rd Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS

(₹ In lakhs)

Particulars	2022-23	2021-22
Total revenue (Turnover)	4,30,387	3,82,809
Other income	1,814	2,523
Total Income	**4,32,201**	**3,85,332**
Profit before Finance Cost, Depreciation and Tax	25,012	55,633
Finance Cost	5,938	3,600
Depreciation & amortization expense	6,866	6,338
Profit/(Loss) before exceptional items & tax	**12,208**	**45,695**
Exceptional Items-Profit	-	164
Profit before tax	**12,208**	**45,859**
Tax expense		
- Current	3,556	14,010
- Deferred	(338)	1,576
Total Tax	**3,218**	**15,586**
Net Profit/(Loss) after tax	**8,990**	**30,273**
Other comprehensive losses	24	30
Total comprehensive income	**9,014**	**30,243**

DIVIDEND

The Board of Directors of the Company ('the Board') has recommended final dividend of ₹ 0.15 (Fifteen Paisa) per equity share of the Company for the year ended March 31, 2023. The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company scheduled to be held on September 27, 2023. The dividend once approved by Shareholders will be paid within the statutory time limit.

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

DIVIDEND DISTRIBUTION POLICY

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

TRANSFER TO RESERVES

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

OPERATIONS & EXPANSION

This has been a difficult year for the Company due to various macro factors such as the Ukraine-Russia war, global economic slowdown and a prolonged COVID lockdown in China. All these factors have adversely affected the market demand and selling prices. The Indian polyester industry has been facing intense competition from cheaper Chinese imports in the domestic market. High volumes of Chinese imports have led to a price war in the domestic market forcing all Indian manufacturers to sell at lower prices to match import prices to maintain market share, which has adversely affected the margins.

Despite the challenging market environment, the Company has achieved 97% capacity utilization on an annual basis. The Company achieved its highest production and sales quantities of 3,80,197 MT and 3,82,133 MT respectively in FY23.

The Company commissioned and started commercial production of its project for debottlenecking melt capacity of 50 MT per day and manufacturing lines of 120 MT per day POY at Dahej Plant in September 2022.

The Company continues to be engaged in R & D activities to develop process parameters for chemical recycling of Polyester waste. It has set up a 1500 Kgs per day pilot plant to revalidate the process conditions and operating costs. The Company has taken trials of spinning the recycled chips and converted the yarn into cloth to test the parameters. The results are positive and encouraging.

SUBSIDIARY COMPANY

During the year ended March 31, 2023, 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 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.

On the recommendation of Nomination & Remuneration Committee in its meeting held on August 28, 2020, Members of the Company in their Annual General Meeting held on September 30, 2023 approved the repricing of the outstanding employee stock options granted in 2nd Tranche under Filatex Employee Stock Option Scheme, 2015 from Exercise price of ₹ 42.20 per option to ₹ 28.85 per option.

The Board of Directors in their meeting held on November 08, 2022 had approved the sub-division of One Equity Shares of the Company having a face value of ₹ 2/- (Rupees Two only) each into 2 (Two) Equity Shares having a face value of ₹ 1/- (Rupee One only) each. The Members of the Company passed the resolution for the sub-division of shares through postal ballot on December 14, 2022. Accordingly, the number of stock options and price thereof were adjusted.

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, 2023 has been given in Note 50 of the Financial Statement.

SHARE CAPITAL

The Board of Directors in their meeting held on November 08, 2022 had approved the sub-division of One Equity Shares of the Company having a face value of ₹ 2/- (Rupees Two only) each into 2 (Two) Equity Shares having a face value of ₹ 1/- (Rupee One only) each. The Members of the Company passed the resolution for the sub-division of shares through postal ballot on December 14, 2022.

The Company allotted 8,44,250 Equity Shares of ₹ 1 each on June 08, 2023 at an exercise price of ₹ 14.425 per share against exercise of Stock Options to the Employees of the Company under Filatex Employee Stock Option Scheme 2015 (Filatex ESOS-2015).

Presently, the Company's Issued & Paid-up Share Capital is ₹ 44,38,55,500 consisting of 44,38,55,500 Equity shares of ₹ 1/- each.

DEPOSITS

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

Shri Purrshottam Bhaggeria (DIN: 00017938), Joint Managing Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

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

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

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

BOARD EVALUATION

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

REMUNERATION POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Board, on the recommendation of CSR Committee, approved ₹ 550.56 lakhs being two percent of average net profits of ₹ 27,528.06 lakhs 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 2022-23 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 ₹ 286.18 lakhs (including Interest of ₹ 6.12 lakhs accrued on Unspent CSR Bank Accounts) on Education, Swachh Bharat Abhiyan, Health facilities, Promotion of sports, making available safe drinking water, environment sustainability, rural development, women empowerment etc. However, it could not be spent due to setting up a new Hospital in Jolva Village, Dahej. The Board of Directors in its meeting held on February 14, 2020 approved to start a 20 Bed Hospital with a causality/emergency ward at a budgeted cost of the project is ₹ 600 lakhs which will be funded from our CSR budget in the coming years. Eventually, over the years, we will build a 50 Beds Hospital and School (hereinafter referred as **"Ongoing Project"**).

Pursuant to Section 135(6) of the Companies Act, 2013, the Company has transferred an amount of ₹ 270.50 lakhs in CSR Unspent Account (FY 2022-23) on April 30, 2023. The said amount shall be spent within a period of three financial years from the date of such transfer for above Ongoing Project, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

During the financial year ended March 31, 2023, the Company/ Lala Govindramjee Charitable Society, an implementing agency, bought land in Bharuch District, Gujarat for the purpose of Ongoing Project at a cost of ₹ 368.81 lakhs. In this regard, the Company had transferred ₹ 229.06 lakhs from separate unspent CSR Bank accounts (FY 2020-21 & FY 2021-22) including interest accrued thereon to Lala Govindramjee Charitable Society.

Details of the expenditure incurred towards CSR activities for the financial year 2022-23 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 March 31, 2023, 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 and 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 AND SUSTAINABILITY REPORT

In recent years, the importance of addressing climate change, promoting inclusive growth, and transitioning to a sustainable economy has gained significant global attention. Investors and stakeholders now expect companies to be responsible and sustainable in their practices, placing equal importance on reporting their performance on sustainability-related factors alongside financial and operational performance.

As per the amendment to Regulation 34(2)(f) of the Listing Regulations, 2015 and the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs, Government of India, the top one thousand listed companies are required to prepare and present a Business Responsibility and Sustainability Report (BRSR) to stakeholders. This replaces the previous Business Responsibility Report (BRR) and follows internationally accepted reporting frameworks such as GRI, SASB, TCFD, and Integrated Reporting.

Starting from the financial year 2022-23, filing the BRSR has become mandatory for the top 1000 listed companies based on market capitalization, replacing the BRR. As of March 31, 2023, Our Company is ranked 834 at NSE and 855 at BSE based on market capitalization. The BRSR requires listed entities to disclose their performance against the nine principles of the

NGBRC, with reporting divided into essential and leadership indicators. Essential indicators are mandatory to report, while reporting leadership indicators is voluntary.

The Business Responsibility and Sustainability Report for the financial year ended March 31, 2023 is attached with 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 re-appointed as the Statutory Auditors to hold office for the second term of five years commencing financial year 2022-23 to hold office from the conclusion of the 32nd Annual General Meeting of the Company till the conclusion of the 37th Annual General Meeting to be held in 2027 on such remuneration plus GST, out-of-pocket expenses etc. to be decided by the Board of Directors.

JOINT STATUTORY AUDITOR

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

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s Arun K. Gupta & Associates, Statutory Auditors and M/s R. N. Marwah & Co. LLP, Joint Statutory Auditor, in their report for the Financial Year ended March 31, 2023. The Statutory Auditors and Joint Statutory Auditor have not reported any incident of fraud to the Audit Committee of the Company/Central Government in the year under review.

COST AUDITORS

Your Company has appointed **M/s Bahadur Murao & Co.**, (Firm Registration No. 000008) a firm of Cost Auditors, for conducting the audit of cost records for the financial year 2023-24 as the Cost Auditor at a remuneration of ₹ 65,000 plus GST and out of pocket expense subject to the approval of the Central Government and Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

The Board has appointed **M/s Siddiqui & Associate**, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 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 2022-23 has been paid to the Stock Exchanges.

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

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

PARTICULARS OF EMPLOYEES

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

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

VIGIL MECHANISM

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

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

RISK MANAGEMENT POLICY

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

RISK MANAGEMENT COMMITTEE

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

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

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

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

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note No(s). 6,11 & 15 to the financial statement).

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

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

ANNUAL RETURN

The Annual Return for the financial year 2021-22 is available on the website of the Company www.filatex.com.

GENERAL DISCLOSURES

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

(i) Details relating to deposits covered under Chapter V of the Act.

(ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(iii) Issue of shares (including sweat equity shares) to Employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.

(iv) The Company does not have any scheme of provision of money for the purchase of its own shares by Employees or by trustees for the benefit of Employees.

(v) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

(vi) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 against the Company.

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 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 of
Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: August 04, 2023

Annexure - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Madhu Sudhan Bhageria	Chairman	There was one meeting of the Committee held on May 27, 2022.	1
2.	Shri Purrshottam Bhaggeria	Member		1
3.	Shri Madhav Bhageria	Member		1
4.	Smt. Pallavi Joshi Bakhru	Member		1

3. **Provide the weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

Composition of CSR Committee	www.filatex.com
CSR Policy	
CSR projects approved by the Board	

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakhs)	Amount required to be set-off for the financial year, if any (₹ in lakhs)
1.	2021-22	Nil	Nil
2.	2020-21	Nil	Nil
3.	2019-20	Nil	Nil
Total		**Nil**	**Nil**

6. **Average net profit of the Company as per section 135 (5) (₹ In lakhs):** 27,528.06

7. (a) Two percent of average net profit of the Company as per section 135 (5) (₹ In lakhs):	550.56
7. (b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:	6.12
7. (c) Amount required to be set off for the financial year, if any:	Nil
7. (d) Total CSR obligation for the financial year (7a+7b-7c) (₹ In lakhs):	556.68

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

Total Amount spent for the Financial Year (₹ In lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
286.18	270.50	April 30, 2023	Not applicable		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)*	Amount spent in the current financial year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹ in lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Setting up of New School at Jolva Village	Promoting Education	Yes	Gujarat	Bharuch	3 Years	600	368.81	270.50	Both	Lala Govindramjee Charitable Society	CSR00008815
Total							**600**	**369**	**270.50**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Asmita Vikas Kendra -Campaign For Poor Girls Of Bharuch District	Women empowerment	Yes	Gujarat	Bharuch	0.50	Yes	Not Applicable	
2.	Azadi ka Amrit Mahotsav Celebration	Har Ghar Tiranga	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.53	Yes	Not Applicable	
3.	Ceiling fan, fitness equipments, school bags, uniforms, shoes, Computer, belt, board etc provided to school/ashram	Promoting Education	Yes	Gujarat	Bharuch	25.26	Yes	Not Applicable	
4.	Contribution to run anganwadi for extra 5 hours under "Kuposhan Mukth Project"	Promoting Healthcare	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	5.70	No	Dadra & Nagar Haveli and Daman & Diu Juvenine Justice Fund	CSR00025593
5.	Contribution towards Oxygen Plant in Hospital	Promoting Healthcare	Yes	Gujarat	Bharuch	0.29	No	Not Applicable	
6.	Distribution of Food Packets	Promoting Healthcare	Yes	Gujarat	Bharuch	0.48	Yes	Not Applicable	
7.	Distribution of Fruit Basket at PHC Dadra	Promoting Healthcare	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.04	Yes	Not Applicable	
8.	Contribution For Organizing "Vadodara Maithil Mahotsav 2022"	Rural Development	Yes	Gujarat	Bharuch	0.15	No	Not Applicable	
9.	Donation to "Bharat Ke Veer"	Armed forces veterans, war widows and their dependents	Yes	Delhi	PAN India	0.50	Yes	Not Applicable	
10.	Donation To "Bharat Lok Shiksha Parishad"	Promoting Education	Yes	Delhi	Delhi	5.50	No	Bharat Lok Shikha Parishad	CSR00000667
11.	Donation to "Federation Of Industries Association Silvassa"	Rural Development	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	16.00	No	FEDERATION OF INDUSTRIES ASSOCIATION SILVASSA	CSR00012860
12.	Donation to "Friends Of Tribals Society"	Promoting Healthcare	Yes	Gujarat	Bharuch	5.00	No	FRIENDS OF TRIBALS SOCIETY	CSR00001898
13.	Donation to "Krishna Cancer Aid Association"	Promoting Healthcare	Yes	Dadra, UT of Dadra and Nagar Haveli	Dadra, UT of Dadra and Nagar Haveli	0.75	No	KRISHNA CANCER AID ASSOCIATION	CSR00015952
14.	Donation to "Manav Mandir Mission Trust"	Promoting Education	Yes	Delhi	Delhi	2.04	No	Manav Mandir Mission Trust	CSR00012647

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
15.	Donation to Lala "Govindramjee Charitable Society" for construction of School	Promoting Education	Yes	Gujarat	Bharuch	145.22	No	Lala Govindramjee Charitable Society	CSR00008815
16.	Evergreen Hospital -Treatment & Hospitalization Charges For Mrs.ruby Mukesh Shah	Promoting Healthcare	Yes	Gujarat	Bharuch	0.54	Yes	Not Applicable	
17.	Expenses incurred for Topographical Survey and marking for outer boundary for Village Eksal, For School land survey	Promoting Education	Yes	Gujarat	Bharuch	0.65	Yes	Not Applicable	
18.	Gardening and Cleaning work in Jolva Village	Promoting Education	Yes	Gujarat	Bharuch	18.78	Yes	Not Applicable	
19.	Organising Cricket tournament at Bhesali Village	Sports Promotion	Yes	Gujarat	Bharuch	5.54	Yes	Not Applicable	
20.	Removal of Hazardous waste material from nearby village and transporting it to safer place	Rural Development	Yes	Gujarat	Bharuch	17.39	Yes	Not Applicable	
21.	Shree Siddhi Vinayak Charitable & Welfare Trust, Bharuch	Rural Development	Yes	Gujarat	Bharuch	0.15	Yes	Not Applicable	
22.	Sponsorship of Coach fees for climbing for a person to appear in Olympics	Sports Promotion	Yes	Gujarat	Bharuch	0.93	Yes	Not Applicable	
23.	Supporting Child Education	Promoting Education	Yes	Delhi	Delhi	1.24	Yes	Not Applicable	
24.	Supporting Child Education	Promoting Education	Yes	Gujarat	Bharuch	15.14	Yes	Not Applicable	
25.	Use of Ambulance, organising Medical checking camps, Distribution of medical supplies etc	Promoting Healthcare	Yes	Gujarat	Bharuch	17.87	Yes	Not Applicable	
Total						**286.18**			

8. (d) Amount spent on Administrative Overheads (₹ in lakhs):	-
8. (e) Amount spent on Impact Assessment, if applicable (₹ in lakhs):	-
8. (f) Total amount spent for the Financial Year (8b+8c+8d+8e) (₹ in lakhs):	286.18

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

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

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

(1)	(2)	(3)	(4)	(5)			(6)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
1.	FY 2020-21	110.96	110.96	Not Applicable			-
2.	FY 2021-22	111.98	111.98	Not Applicable			-

(1)	(2)	(3)	(4)	(5)			(6)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
3.	FY 2022-23	270.50	-	Not Applicable			270.50
Total		**493.44**	**222.94**				**270.50**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration*	Total Amount allocated for the project (₹ in lakhs) #	Amount spent on the project in the reporting Financial year (₹ in lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	Status of the project- Completed/ Ongoing
1.		School at Jolva	2021-22	3 Years	600.00	368.81	368.81	Ongoing
Total					**600.00**	**368.81**	**368.81**	

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

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

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

It could not be spent due to setting up a new Hospital in Jolva Village, Dahej. The Board of Directors in its meeting held on February 14, 2020 approved to start a 20 Bed Hospital with a causality/emergency ward at a budgeted cost of the project is Rs. 600 lakhs which will be funded from our CSR budget in the coming years. Eventually, over the years, we will build a 50 Beds Hospital and School (hereinafter referred as "Ongoing Project").

MADHAV BHAGERIA
Joint Managing Director & CFO

PALLAVI JOSHI BAKHRU
Independent Director

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: August 04, 2023

Annexure - B

CORPORATE GOVERNANCE REPORT

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

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

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

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

i) Structure of Board of Directors

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

Sr. No.	Skills/Expertise/Competence required by the Board of Directors		Status of availability with the Board
3.	Critical and innovative thoughts	The ability to analyse the information and share innovative approaches and solutions to the problems	√
4.	Financial Understanding	Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources	√
5.	Market Understanding	Understanding of the Textiles Market dynamics	√
6.	Risk and compliance oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliances, and monitor risk and compliance management frameworks	√

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

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

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

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

ii) Board Meetings

During the year 2022-23, the Board meets four times on May 27, 2022, July 27, 2022, November 08, 2022 and February 04, 2023.

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	-	-	Yes	No
2.	Shri Purrshottam Bhaggeria	3	1	-	-	Yes	No
3.	Shri Madhav Bhageria	3	-	-	-	Yes	No
4.	Shri Ashok Chauhan	4	-	-	-	Yes	No
5.	Shri Suraj Parkash Setia	4	6	4	3	Yes	No
6.	Shri Swarup Chandra Parija	4	-	-	-	No	No
7.	Smt. Pallavi Joshi Bakhru	4	2	2	-	Yes	Yes#
8.	Shri Rajender Mohan Malla (appointed on 27.07.2022)	2	-	4	3	Yes	Yes#

* As on March 31, 2023 Represents Directorship & Membership/Chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Companies.

Directorship of Shri Rajender Mohan Malla and Smt. Pallavi Joshi Bakhru in other Listed Companies is as under:

Shri Rajender Mohan Malla		Smt. Pallavi Joshi Bakhru	
Name of other Listed Companies	Designation	Name of other Listed Companies	Designation
▪ IOL Chemicals and Pharmaceuticals Limited ▪ Indosolar Limited ▪ Waaree Technologies Limited	Independent Director	Gabriel India Ltd	Independent Director

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 along with two Joint Managing Directors and Whole-Time 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 March 28, 2023 to discuss, inter-alia:

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

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

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

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

v) Familiarisation Programme for Independent Directors

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

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

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

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

3. Audit Committee

In terms of Section 177 of the Companies Act, 2013 and the Listing Regulation, the Audit Committee consists of Four Independent Directors and One Non-Independent Director namely, Shri Suraj Parkash Setia, Shri Swarup Chandra Parija, Smt. Pallavi Joshi Bakhru and Shri Rajender Mohan Malla 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 2022-23 the Committee met four (4) 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
27-05-2022	4
27-07-2022	4
08-11-2022	5
04-02-2023	5

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

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board. The previous AGM of the Company was held on September 27, 2022. Smt Pallavi Joshi Bakhru, Chairman of the Audit Committee attended the last AGM.

4. Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and the Listing Regulation, the Nomination & Remuneration Committee consists of four Directors namely, Shri Suraj Parkash Setia, Shri Swarup Chandra Parija, Smt. Pallavi Joshi Bakhru 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 March 31, 2023, there was one meeting of the Committee held on July 27, 2022. Smt Pallavi Joshi Bakhru, Chairman of the Nomination and Remuneration attended the last AGM held on September 27, 2022. The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
27-07-2022	4

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/Whole-Time 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 March 31, 2023

(₹ In lakhs)

Sr. No.	Name of Directors	Salary & Allowances	Contribution to Provident Fund	Perquisites	Commission	Sitting Fees	Total
1.	Shri Madhu Sudhan Bhageria	85.60	0.22	16.50	49.95	-	**152.27**
2.	Shri Purrshottam Bhaggeria	75.60	0.22	15.70	49.95	-	**141.47**
3.	Shri Madhav Bhageria	75.40	0.22	14.33	49.95	-	**139.90**
4.	Shri Ashok Chauhan	44.40	-	-	-	-	**44.40**
5.	Shri Suraj Parkash Setia	-	-	-	-	2.60	**2.60**
6.	Shri Swarup Chandra Parija	-	-	-	-	2.60	**2.60**
7.	Smt. Pallavi Joshi Bakhru	-	-	-	-	3.40	**3.40**
8.	Shri Rajender Mohan Malla	-	-	-	-	1.20	**1.20**

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/ Whole-Time Director is on contractual basis. None of the Non-Executive Directors held any Equity Shares of the Company except Mr. Suraj Parkash Setia who holds 200 shares as on March 31, 2023. The Managing/Joint Managing Directors/ Whole-Time Director are paid remuneration as approved by the Board of Directors and Shareholders on the recommendation of the Nomination and Remuneration Committee and are not paid sitting fees for Board/Committee Meetings attended by them. Non-Executive Directors do not have any pecuniary relationship with the Company except payment of sitting fees for attending the Board/Committee Meetings. None of the Directors holds more than 10% of Equity Share of the Company.

The re-appointments of the Managing Director/Joint Managing Directors are made for a period of three years on the terms and conditions contained in the respective resolutions passed by the members in the Annual General Meetings/through postal ballot. Shri Ashok Chauhan, who has been re-appointed as Whole-Time Director by the Board of Directors on the recommendation of the Nomination & Remuneration Committee for a further period of two years w.e.f., May 01, 2022 by the members of the Company through postal ballot. The Notice period is as per the respective resolutions passed for appointment of Managing Director/ Joint Managing Directors/Whole-Time 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 and Smt. Pallavi Joshi Bakhru, as members.

During the financial year ended March 31, 2023, there was one meeting of the Committee held on May 27, 2022.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
27-05-2022	4

6. Risk Management Committee

The Risk Management Committee (constituted on July 27, 2021) consists of three Directors namely, Shri Madhu Sudhan Bhageria, Chairman & Managing Director, Smt. Pallavi Joshi Bakhru, Independent Director & Shri Ashok Chauhan, Executive Director and one senior executive, Mr. Rajiv Kumar Kasturia, Senior Vice President (Marketing) of the Company. Shri Madhu Sudhan Bhageria will be Chairman of the Risk Management Committee.

During the financial year ended March 31, 2023, there were two meetings of the Committee held on July 26, 2022 and January 21, 2023.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
26-07-2022	4
21-01-2023	4

7. Stakeholders Relationship Committee

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

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

During the year ended March 31, 2023, twelve (12) shareholders' complaints were received out of which eleven (11) complaints were resolved to the satisfaction of the shareholders and there was one complaint pending as at the year end. There were no share transmission pending for registration as on March 31, 2023.

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

Name and designation of Compliance Officer

Mr. Raman Kumar Jha, Company Secretary

8. General Body Meetings:

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

Year	Location	Date	Time	Whether Special Resolution passed
2019-20	Held through Online	September 30, 2020	11.00 AM	Yes
2020-21	Held through Online	September 24, 2021	11.00 AM	Yes
2021-22	Held through Online	September 27, 2022	4.00 PM	Yes

No Extra Ordinary General Meeting of Shareholders was held during the financial year 2022-23. No Special Resolution was passed by Postal Ballot in any of the aforesaid Annual General Meetings.

Postal Ballot

During the financial year 2022-23, there were two postal ballots conducted for seeking the approval of shareholders. Brief particulars of the postal ballot are as under.

June - July 2022

1. The Board of Directors of the Company appointed Mr. K O Siddiqui, FCS of Siddiqui & Associates, Company Secretaries, New Delhi as the Scrutinizer for scrutinizing the postal ballot through e-voting.
2. Dispatch of the Postal Ballot Notice and Explanatory Statement were sent through email to the Shareholders of the Company on June 20, 2022.
3. The e-voting was open from Tuesday, June 21, 2022 at 9:00 AM (IST) and ended at 5:00 PM (IST) on Wednesday, July 20, 2022.
4. Based on the Scrutinizer's Report, the results of the said postal ballot were declared on July 22, 2022, as follows:

Special Resolutions	Votes in favour of the Resolutions		Votes against the Resolutions	
	No. of shares for which valid votes cast	% of votes to total number of valid votes valid	No. of shares for which valid votes cast	% of votes to total number of valid votes valid
Re-appointment of Shri Madhu Sudhan Bhageria (DIN: 00021934) as Managing Director of the Company, designated as Chairman & Managing Director for a period of 3 years w.e.f. 30.07.2022	84,089,273	99.992	6,604	0.008
Re-appointment of Shri Purrshottam Bhaggeria (DIN: 00017938) as Whole-Time Director, designated as Joint Managing Director of the Company for a period of 3 years w.e.f. 30.07.2022	84,212,528	97.398	2,249,987	2.602
Re-appointment of Shri Madhav Bhageria (DIN: 00021953) as Whole-Time Director, designated as Joint Managing Director of the Company for a period of 3 years w.e.f. 30.07.2022	84,367,236	97.375	2,274,117	2.625
Re-appointment of Shri Ashok Chauhan (DIN: 00253049) as Whole-Time Director of the Company for a further period of 2 years w.e.f. 01.05.2022	154,425,412	98.564	2,250,393	1.436

November - December 2022

5. The Board of Directors of the Company appointed Mr. K O Siddiqui, FCS of Siddiqui & Associates, Company Secretaries, New Delhi as the Scrutinizer for scrutinizing the postal ballot through e-voting.
6. Dispatch of the Postal Ballot Notice and Explanatory Statement were sent through email to the Shareholders of the Company on November 14, 2022.
7. The e-voting was open from Tuesday, November 15, 2022 at 9:00 AM (IST) and ended at 5:00 PM (IST) on Wednesday, December 14, 2022.
8. Based on the Scrutinizer's Report, the results of the said postal ballot were declared on December 15, 2022 as follows:

Ordinary Resolutions	Votes in favour of the Resolutions		Votes against the Resolutions	
	No. of shares for which valid votes cast	% of votes to total number of valid votes valid	No. of shares for which valid votes cast	% of votes to total number of valid votes valid
Sub-division of Equity Shares of the Company from the Face Value of ₹ 2/- Per Equity Share to ₹ 1/- Per Equity Share	146,611,642	99.999	768	0.001
Alteration of the Capital Clause in the Memorandum of Association	146,611,438	99.999	972	0.001

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

9. Disclosures

(i) None of the transactions with any of the related party were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties set out in Note No. 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 Indian 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 March 31, 2023, 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 the Statutory Auditors during the financial year ended March 31, 2023, ₹ 28.31 lakhs (please refer Note no. 43 of Financial statement ended March 31, 2023).

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

10. Means of Communication

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

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

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

11. Code of Conduct for Directors & Senior Management Personnel

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

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

12. Shareholder's Referencer

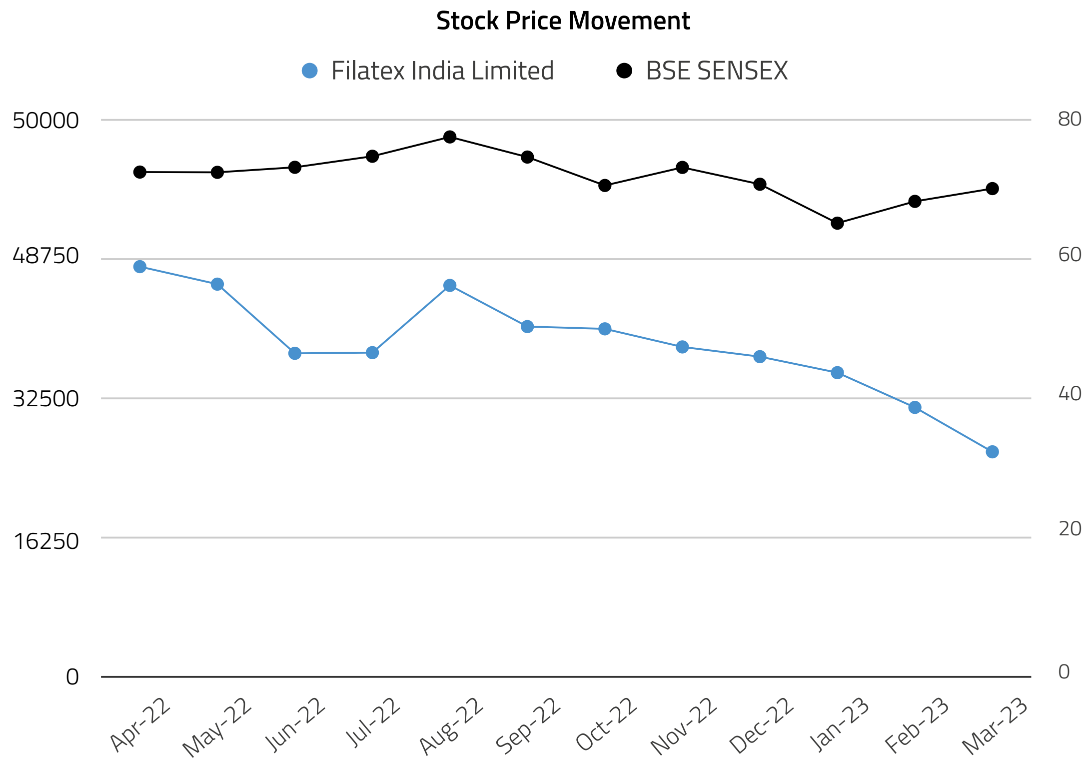
12.1	**Annual General Meeting:**	
	- Date and Time	Please refer to AGM Notice
	- Venue	Survey No. 274, Demni Road, Dadra - 396193 (U.T. of Dadra & Nagar Haveli)
12.2	**Financial Calendar:**	Results for the quarter ending June 30, 2023 on or before August 14, 2023
		Results for the quarter/half year ending September 30, 2023 on or before November 14, 2023
		Results for the quarter ending December 31, 2023 on or before February 14, 2024
		Results for the quarter/year ending March 31, 2024 on or before May 30, 2024
12.3	**Book Closure Date:**	As in the AGM Notice
12.4	**Dividend Payment Date:**	Dividend will be paid within 30 days of ensuing AGM
12.5	**Listing of Equity Shares on Stock Exchanges at:**	BSE & NSE. Annual Listing fee for the year 2023-24 has been paid to the above Stock Exchanges
12.6	**Stock Code:**	
	(a) Trading Symbol at	Bombay Stock Exchange Limited-526227 National Stock Exchange of India Limited-FILATEX
	(b) Present ISIN of Equity Shares	INE816B01035

12.7 Stock Market Data:

Monthly High & Low price of the Equity Shares of the Company for the year 2022-23 based upon BSE Price data in comparison to BSE Sensex is given below:

Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2022	69.20	60,845	58.03	56,009
May, 2022	60.53	57,184	51.03	52,632
June, 2022	57.45	56,433	45.20	50,921
July, 2022	52.80	57,619	45.30	52,094
August, 2022	59.13	60,411	46.83	57,367
September, 2022	57.23	60,676	47.78	56,147
October, 2022	51.73	60,787	48.53	56,683
November, 2022	51.50	63,303	46.40	60,425
December, 2022	49.90	63,583	43.50	59,754
January, 2023	48.35	61,344	42.55	58,699
February, 2023	45.05	61,682	37.45	58,796
March, 2023	42.24	60,498	31.60	57,085

Note: Adjusted above share price from April 2022 to November 2022 on account of stock split from face value of ₹ 2 to ₹ 1.

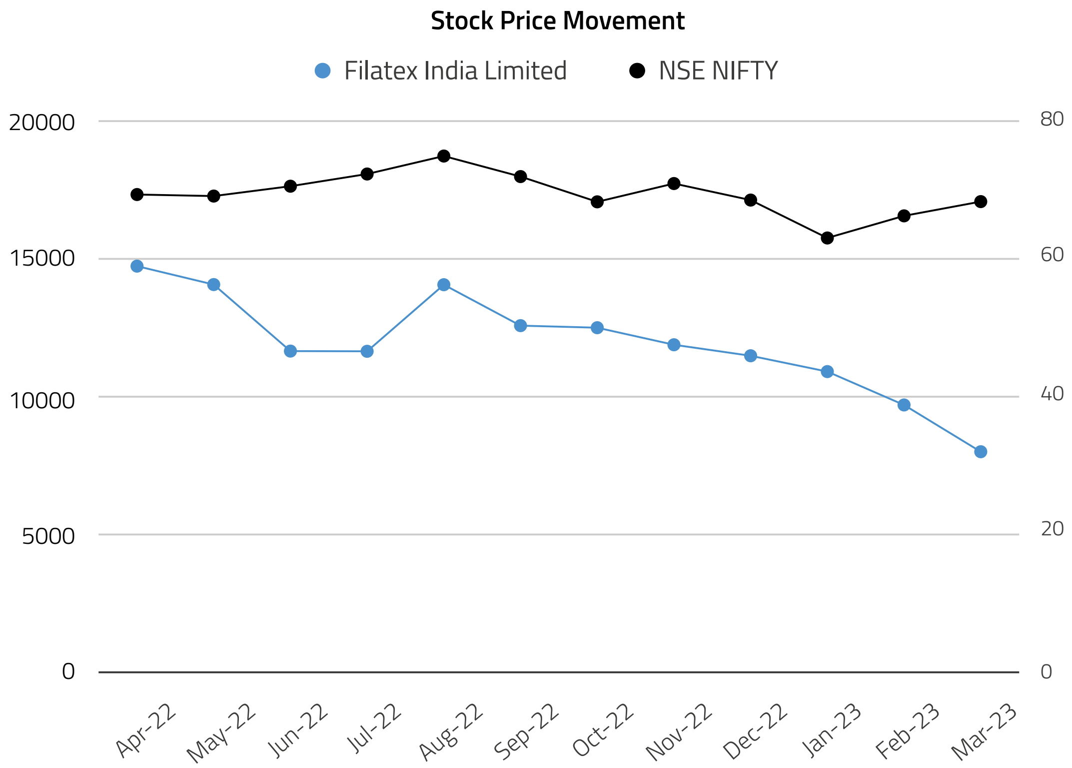


Note: Sensex v/s closing Share Price on the last Trading day of Month.

Monthly High & Low price of the Equity Shares of the Company for the year 2022-23 based upon NSE Price data in comparison to Nifty is given below:

Month	High		Low	
	Share Price	Nifty	Share Price	Nifty
April, 2022	69.23	18,115	57.83	16,825
May, 2022	62.50	17,133	51.00	15,736
June, 2022	57.45	16,794	45.03	15,183
July, 2022	52.83	17,173	45.00	15,511
August, 2022	59.40	17,992	46.75	17,155
September, 2022	57.25	18,096	47.75	16,748
October, 2022	51.78	18,023	48.50	16,856
November, 2022	51.50	18,816	46.38	17,959
December, 2022	49.93	18,888	43.45	17,774
January, 2023	48.50	18,252	42.65	17,406
February, 2023	45.80	18,135	37.45	17,255
March, 2023	42.25	17,800	30.15	16,828

Note: Adjusted above share price from April 2022 to November 2022 on account of stock split from face value of ₹ 2 to ₹ 1.



Note: Nifty v/s closing Share Price on the last Trading day of Month.

12.8 Registrar and Transfer Agents:

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

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area
Phase-I, New Delhi - 110020.
Tel: 011-41406149
Email: admin@mcsregistrars.com
Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

12.9 Share Transfer System:

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

12.10 Distribution of Shareholding according to categories of Shareholders

S.No	Category	March 31, 2023	
		No. of Shares	% to total
1.	**Promoters Holding**		
	Promoter Group	28,74,34,472	64.88
2.	**Institutional Investors**		
	Banks	1,010	--
	Foreign Portfolio Investors - **Category I**	2,55,19,619	5.76
	Foreign Portfolio Investors - **Category II**	16,75,351	0.38
3.	**Others**		
	Bodies Corporate	2,06,85,519	4.67
	Indian Public	9,16,45,985	20.69

S.No	Category	March 31, 2023	
		No. of Shares	% to total
	Directors and their relatives (excluding independent directors)	9,13,559	0.21
	Key Managerial Personnel	43,570	0.01
	NRIs	10,98,294	0.25
	Clearing Members	40,965	0.01
	Hindu Undivided Families	1,18,88,722	2.68
	IEPF	17,56,040	0.40
	LLP	2,39,350	0.05
	Trust	68,794	0.01
	Total	**44,30,11,250**	**100**

Distribution of Shareholding as on March 31, 2023 according to Size:

Range		Shareholders		Shares	
No. of Shares (Value)		Number	% to total holders	Number	% to total Capital
Upto	5000	53,032	97.677	1,82,84,988	4.127
5001	10000	610	1.124	46,20,477	1.043
10001	20000	300	0.553	44,21,505	0.998
20001	30000	90	0.166	22,86,580	0.516
30001	40000	51	0.094	18,11,075	0.409
40001	50000	38	0.070	17,00,747	0.384
50001	100000	73	0.134	54,47,050	1.230
100001	and above	99	0.182	40,44,38,828	91.293
Total		**54,293**	**100**	**44,30,11,250**	**100**

12.11	**Dematerialization of Shares:**	The shares of the Company are traded in compulsory dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).
	Share Dematerialization record:	As on March 31, 2023, 44,23,05,674 Equity Shares were in dematerialized form which represents 99.84% of the paid up share capital.
12.12	**Outstanding GDR/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on Equity**	N.A.
12.13	**Commodity price risk or foreign exchange risk and hedging activities**	The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods. The Company takes forward cover in respect of its major foreign currency exposure such as for imports, repayment of borrowings & interest thereon denominated in foreign currency and export receivables. The Company at present is not dealing in commodities and therefore there is no hedging activity as of now. As and when the Company will deal in commodities, Company will make proper disclosure in the required format regarding commodity price risk and its hedging activities in terms of SEBI Circular dated November 15, 2018.

12.14	**Plant Location:**	1. Survey No.274, Demni Road, Dadra - 396 193 (U.T. of Dadra & Nagar Haveli)
		2. Plot No. D-2/6, Jolva Village PCPIR, Dahej-2 Industrial Estate GIDC, Distt. Bharuch Gujarat - 392130.
12.15	**Address for Investor Correspondence:**	**MCS Share Transfer Agent Limited** F-65, Okhla Industrial Area, Phase-I, New Delhi - 110020. **Tel:** 011-41406149 **Email:** admin@mcsregistrars.com
		Members can also contact: The Company Secretary Filatex India Limited 43, Community Centre, New Friends Colony, New Delhi - 110 025. **Email:** shares@filatex.com Shareholders are requested to quote their Folio Nos./DP Id/Client Id, No. of Shares held and address for prompt reply.

13. Directors Retiring By Rotation/Appointment/Reappointment of Directors

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

14. Credit Rating

CARE Ratings Ltd, on August 02, 2023, has reaffirmed Credit Rating in respect of Company's Long Term Bank Facilities as under:

Facilities	Amount (₹ in crore)	Rating
Long term Bank Facilities	301.94 (Reduced from 341.08)	CARE A+; Stable (Single A Plus; Outlook: Stable)
Long Term/Short Term Bank Facilities	989.14 (Enhanced from 950.00)	CARE A+; Stable/CARE A1+ (Single A Plus; Outlook: Stable/A One Plus)
Total Bank Facilities	**₹ 1,291.08 (One thousand two Hundred ninety-one crore and eight lakhs only)**	

15. A certificate has been received from M/s Siddiqui & Associates Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

16. CEO/CFO Certification

In terms of Regulation 17(8) of the Listing Regulation, Managing Director and Chief Financial Officer of the Company have submitted a certificate certifying various covenants about financial/cash flow statements, internal controls, financial reporting etc. in respect of Accounts for the year ending March 31, 2023 to the Board of Directors.

17. Non Mandatory Items

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

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: August 04, 2023

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 March 31, 2023.

Place: New Delhi
Date: July 26, 2023

MADHU SUDHAN BHAGERIA
Chairman & Managing Director

Certificate of Non-Disqualification of Directors

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Filatex India Limited** having **CIN L17119DN1990PLC000091** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Directors	Designation	DIN	Date of Appointment in the Company
1.	Mr. Purrshottam Bhaggeria	Whole-Time Director	00017938	30.07.2003
2.	Mr. Madhu Sudhan Bhageria	Managing Director	00021934	30.07.2003
3.	Mr. Madhav Bhageria	Whole-Time Director	00021953	30.07.2003
4.	Mr. Ashok Chauhan	Whole-Time Director	00253049	12.02.2014
5.	Mr. Suraj Parkash Setia	Independent Director	00255049	30.07.2003
6.	Mr. Swarup Chandra Parija	Independent Director	00363608	30.07.2003
7.	Mr. Rajender Mohan Malla	Independent Director	00136657	27.07.2022
8.	Ms. Pallavi Joshi Bakhru	Independent Director	01526618	20.09.2013

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

For **Siddiqui & Associates**
Company Secretaries

K. O. Siddiqui
FCS: 2229; CP: 1284
UDIN: F002229E000750636
Peer Review Certificate No.: 2149/2022
Firm Registration No.: S1988DE004300

Place: New Delhi
Date: August 04, 2023

Secretarial Auditors' Certificate on Corporate Governance

To the Members of **Filatex India Limited**

We have examined the compliance of conditions of Corporate Governance by Filatex India Limited for the year ended **March 31, 2023** as stipulated in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **Siddiqui & Associates**
Company Secretaries

K. O. Siddiqui
FCS: 2229; CP: 1284
UDIN: F002229E000756257
Peer Review Certificate No.: 2149/2022
Firm Registration No.: S1988DE004300

Place: New Delhi
Date: August 04, 2023

Annexure - C

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2023

[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
U.T. of Dadra & Nagar Haveli.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Filatex India Limited** having **CIN: L17119DN1990PLC000091** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Filatex India Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** 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 **March 31, 2023** according to the provisions of:

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

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

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

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

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

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

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

      Not Applicable to the Company for the year under review;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

      To the extend applicable to the Company under review;

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

      Not Applicable to the Company during the Audit Period

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

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

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

o The Secretarial Standards issued by the Institute of Company Secretaries of India as notified of Corporate Affairs from time to time;

o The Listing Agreements entered into by the Company with The National Stock Exchange of India Limited (NSE Limited) and The Bombay Stock Exchange Limited (BSE Limited).

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

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

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

We further report that

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

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

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

For **Siddiqui & Associates**
Company Secretaries

K. O. Siddiqui
FCS: 2229; CP: 1284
UDIN: F002229E000750625
Peer Review Certificate No.: 2149/2022
Firm Registration No.: S1988DE004300

Place: New Delhi
Date: August 04, 2023

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

Annexure - A

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

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

For **Siddiqui & Associates**
Company Secretaries

K. O. Siddiqui
FCS: 2229; CP: 1284
UDIN: F002229E000750625
Peer Review Certificate No.: 2149/2022
Firm Registration No.: S1988DE004300

Place: New Delhi
Date: August 04, 2023

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

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: August 04, 2023

Annexure - E

Report on Conservation of Energy and Technology Absorption

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:

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

- **Motors & LED lights:** Used 26 no. super Efficiency class IE-3 induction motors to get Improved efficiency and 266 no LED lights replace for power saving as well as better illumination in power plant and spinning yarn section. Energy consumption has been reduced by 603 units per day.

Utility – Conservation of Energy during Year-2022-23

- **L.P. Air:** Installed 2.5 Bar Centrifugal Air compressor of Capacity 15460 M3/Hr. Low pressure air is used in Texturing machines and Migration air for spin finish oil for POY/FDY.

  The specific power consumption of this compressor is lower than that of existing Reciprocating Air Compressor. Energy consumption has been reduced by 2300 Units per day.

- **Air Handling Units:** To reduce refrigeration load following step taken:
  - o Process quench AHU supply air duct plenum pressure optimized keeping in view the process quality. Without affecting the process, we were able to achieve a saving of 1100 KWH/Day.
  - o AHU supply air blowers optimized through frequency control. Achieved a reduction in power consumption by 2208 KWH/day.
  - o Take Up Process cooling coil replaced which decreased our chilled water requirement and get better efficiency in chilled water.

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

Sunlight is one of our planet's most abundant, clean, and freely available energy resources. The company is generating clean energy from its 1.915 MW grid-connected Solar Photovoltaic (PV) plant on the rooftop.

The Capital investment made by the Company on energy conservation equipment during FY 2022-23: ₹ 334.75 lakhs

B) TECHNOLOGY ABSORPTION

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

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

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

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

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

iv. Research and development:

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

- We are developing our own technology for recycling of Polyester waste. We have set up a pilot plant process based on de-polymerization through Glycolysis process. We are carrying out trials for depolymerization of PET waste and yarn waste. The depolymerized product, after cleaning, is polymerized again to produce polyester chips.

b. Benefits derived because of the above research and development:

- Development of technology and operating parameters is in process.

c. Expenditure on research & development:

- Capital: ₹ 279.15 lakhs
- Recurring: ₹ 117.44 lakhs
- Total: ₹ 396.59 lakhs

C) FOREIGN EXCHANGE EARNINGS AND OUTGO (cash basis)

Foreign exchange earned: ₹ 11,839.97 lakhs

Foreign exchange used: ₹ 1,26,835.38 lakhs

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: August 04, 2023

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 2022-23, ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2022-23 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 2022-23 (₹ In lakhs)	% increase in Remuneration in the financial year 2022-23	Ratio of Remuneration of each Director/to median Remuneration of Employees
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	152.27	-44.02%	58.57
2.	Shri Purrshottam Bhaggeria Joint Managing Director	141.47	-39.38%	54.41
3.	Shri Madhav Bhageria Joint Managing Director & CFO	139.90	-39.54%	53.81
4.	Shri Ashok Chauhan Whole-Time Director	44.40	16.38%	17.08
5.	Shri Rajender Mohan Malla Non-Executive Independent Director	#	#	#
6.	Shri Swarup Chandra Parija Non-Executive Independent Director	#	#	#
7.	Shri Suraj Parkash Setia Non-Executive Independent Director	#	#	#
8.	Smt. Pallavi Joshi Bakhru Non-Executive Independent Director	#	#	#
9.	Shri Raman Kumar Jha Company Secretary	14.54	24.17%	N.A

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

No remuneration only Sitting Fees Paid.

ii) The median remuneration of Employees of the Company during the financial year was ₹ **2.60 lakhs**

iii) In the financial year, there was increase of 10.00% in the median remuneration of Employees.

iv) There were **2,501 permanent Employees** on the rolls of Company as on March 31, 2023.

v) Average percentage increase made in the salaries of Employees other than the Key Managerial Personnel in the last financial year, i.e. 2022-23 was **8.14%** whereas there is a decrease in the managerial remuneration for the same financial year by **37.38%**. 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:

Sr. No.	Name and Designation	Remuneration (₹ in lakhs)	Qualification	Date of Commencement of employment	Age in Years	Experiences In Years	Particulars of last Employment	% of Equity shares held
1.	Mr. Madhu Sudhan Bhageria Chairman & Managing Director	152.27	B. Com (H)	30-Jul-2003	63	41	Chief Executive, Madhu Industries	8.55
2.	Mr. Purrshottam Bhaggeria Joint Managing Director	141.47	MBA	30-Jul-2003	61	38	None	9.58
3.	Mr. Madhav Bhageria Joint Managing Director & CFO	139.90	B.Com (H)	30-Jul-2003	59	36	None	9.72
4.	Mr. Rajiv Kumar Kasturia President (Marketing)	48.46	DHT - Tech	01-Feb-1994	58	35	Cosmo Synthetics Ltd.	0.11
5.	Mr. Vyanu B. Vyas Chief Operating Officer	47.74	B.Tech, PGDM-Mgt & Mktg	11-Nov-2010	58	40	Aggarwal Indotex Ltd.	0.06
6.	Mr. Ashok Chauhan Whole-Time Director	44.40	B.E (Mech), MBA	12-Feb-2014	72	50	JMD in Alchemist Group	0.14
7.	Mr. Jay Parkash Singh Assistant Vice President (Marketing)	32.83	Diploma in Electronics and tele. Com Engineering	13-Aug-1998	53	30	Rajasthan Petro Synth. Ltd	0.02
8.	Mr. Sudhir Bhimrajka Chief General Manager	31.86	M.Com	01-May-1997	57	36	Kankariya Chemical Industries Limited	0.02
9.	Mr. Sameer Bhupendra Vaidya General Manager (HR)	31.61	MBA- HR	01-Mar-2021	53	27	Bhilosa Ind Pvt Ltd	-
10.	Mr. Sriram Balsubrananiam Iyer Chief General Manager (Raw Material)	31.48	PGDM, B.Tech	07-May-2012	39	15	Garden Silk Mills Pvt Ltd	0.05

Notes:

1. The Remuneration received includes Salary, other allowances & Commission.
2. Mr. Madhu Sudhan Bhageria, Mr. Purrshottam Bhaggeria and Mr. Madhav Bhageria are only related to each other.
3. Employment of Mr. Madhu Sudhan Bhageria, Mr. Purrshottam Bhaggeria, Mr. Madhav Bhageria and Mr. Ashok Chauhan are on contractual basis.

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

Place: New Delhi
Date: August 04, 2023

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L17119DN1990PLC000091
2.	Name of the Listed Entity	Filatex India Limited
3.	Year of incorporation	1990
4.	Registered office address	S.No. 274, Demni Road, Dadra - 396193, U.T of Dadra & Nagar Haveli, India
5.	Corporate address	43, Community Centre, New Friends Colony, New Delhi - 110025
6.	E-mail	secretarial@filatex.com
7.	Telephone	+91-11-26312503
8.	Website	www.filatex.com
9.	Financial year for which reporting is being done	April 01, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	NSE BSE
11.	Paid-up Capital	₹ 4430.11 lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name	Raman Kumar Jha
	Designation	Company Secretary
	Email	secretarial@filatex.com
	Telephone	+91-11-26312503
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The Disclosures made in this report are on standalone basis.

II. Products/services

14. Details of business activities:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
a)	Manufacturing of Man Made Fibre	Manufacturer of Synthetic Partially Oriented Yarn, Draw Texturised Yarn, Fully Drawn Yarn, Polyester Chips and Narrow Woven Fabric	100.00%

15. Products/Services sold by the entity:

S. No.	Product/Service	NIC Code	% of total Turnover contributed
a)	Polyester Chips	22201	1.26%
b)	Polyester Multifilament Yarn	20203	96.18%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

S. No.	Location	Number of plants	Number of offices	Total
a)	National	2	3	5
b)	International	-	-	-

17. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States & Union Territories)	15
International (No. of Countries)	19

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Export
2.17%

c) A brief on types of customers:

The Company's major clients include Yarn Spinners, Fabric Weavers and Knitters.

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male	(% of Total)	Female	(% of Total)
			Employees			
1	Permanent	1000	982	98.20%	18	1.80%
2	Other than Permanent	4	4	100.00%	-	-
3	Total Employees	1004	986	98.20%	18	1.80%
			Workers			
4	Permanent	1501	1501	100.00%	-	-
5	Other than Permanent	2390	2381	99.62%	9	0.38%
6	Total Workers	3891	3882	99.77%	9	0.23%

b) Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male	(% of Total)	Female	(% of Total)
			Employees			
1	Permanent	-	-	-	-	-
2	Other than Permanent	-	-	-	-	-
3	Total Employees	-	-	-	-	-
			Workers			
4	Permanent	3	3	100.00%	-	-
5	Other than Permanent	-	-	-	-	-
6	Total Workers	3	3	100.00%	-	-

19. Participation/Inclusion/Representation of women:

	Total (A)	Female	(% of Total)
Board of Directors	8	1	12.50%
Key Management Personnel*	5	-	-

* Key Managerial Personnel are Managing Director, Whole-Time Directors and Company Secretary.

20. Turnover rate for permanent Employees and Workers:

	FY23			FY22			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.35%	15.79%	22.25%	24.15%	23.53%	24.14%	15.94%	18.75%	15.98%
Permanent Workers	39.00%	-	39.00%	35.41%	-	35.41%	45.17%	-	45.17%

V. Holding Companies:

21. Holding, Subsidiary and Associate Companies (including joint ventures):

Not Applicable

VI. CSR Details:

22.

1	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
2	Turnover (in ₹ lakhs)	4,30,387.32
3	Net worth (in ₹ lakhs)	1,09,901.79

VII. Transparency and Disclosures Compliances:

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (If Yes, then provide web-link for grievance redress policy)	FY23			FY22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)		-	-	-	-	-	-
Shareholders		12	1	Resolved by the team	21	21	Resolved by the team
Employees and Workers		-	-	-	-	-	-
Customers		-	-	-	-	-	-
Value Chain Partners		-	-	-	-	-	-
Other (please specify)		-	-	-	-	-	-

#The policies guiding Filatex to conduct business with all its stakeholders including grievance mechanism are available on the Company's website. The link to our policies: https://www.filatex.com/codes-policies

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Renewable Power	Opportunity	Undertake GHG emissions reduction initiatives through increased use of electricity from renewable sources and implement energy efficient measures across all facilities		Positive
2	Air Emissions	Risk	Emission beyond prescribed limits by the respective State Pollution Control Board (SPCB) may attract fines and penalties	Ensure monitoring of all sources of air pollutants in Company's manufacturing locations. Undertake measures to reduce SOx, NOx and PM emissions	Negative
3	Waste Management	Opportunity	Reduce, Reuse and Re-cycle our waste		Positive
4	Innovation and Research & Development	Opportunity	Focused on continuous research & development of chemical recycling processes to reduce textile waste		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

		Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy & Management Process											
1	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	-	Y	Y
	c.	Web Link of the Policies, if available	All relevant policies are uploaded o the intranet site for information as well as implement by internal stakeholders. Further, policies on the Code of Conduct, CSR policy, Vigil policy, Quality Environment Health and Safety policy are also available on the website at https://www.filatex.com/codes-policies								
2		Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	-	Y	Y

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4	Name of the national and international codes/ certifications/labels/standards adopted by your entity and mapped to each principle.	ISO 45001, ISO 14001, ISO 9001, OHSAS 18001, OEKO-TEX STANDARD 100								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are in the process of creating specific goals with timelines.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by the Managment and Board of Directors.								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	At Filatex, we strive to be a purposeful business - one that is responsible towards itself, its stakeholders and the external environment. We make incremental changes to our processes, work towards cost savings, use innovation to make our processes more efficient and contribute to the betterment of the environment and society. We believe it is imperative to focus efforts on sustainability in today's global scenario. It is no longer an option but a dire necessity for all businesses. Hence, our aim is to integrate environmental and social dimensions of sustainability into our core business strategy.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Madhu Sudhan Bhageria (Chairman & Managing Director)								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	The Board periodically monitor the financial, environmental, and social performance of the Company while addressing key risks and opportunities. The Company also has a Risk Management Committee which reviews entity-wide risks including ESG risks.								
10	Details of Review of NGRBCs by the Company:									
	Subject for Review	**Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee**								
	Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	-	Y	Y
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	-	Y	Y
	Subject for Review	**Half-Yearly**								
	Performance against above policies and follow up action	All policies are reviewed periodically by the Managment and Board of Directors								
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company complies with the extant regulations as applicable.								
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No external assessment was conducted, However The Company conducts periodic review of the policies internally.								
12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	Filatex is a member of various industrial and trade bodies and plays a key role in advocating issues of the sector through them. It actively participates in industry forums and is also involved in supporting formulation of relevant policies. Though the organization does not have a stated policy on advocacy currently, it continues to follow and monitor the business and regulatory environment closely.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Corporate Governance, Complaint Management, Corporate Social Responsibility Activities, Regulatory Compliances and Updates.	100.00%
Key Managerial Personnel	4	Business, Strategy, Risk, BRSR, Code of Conduct, Information Security Awareness, Anti-Bribery and Anti-Corruption, Prevention of Sexual Harassment	100.00%
Employees other than BoD and KMPs	20	Various trainings pertaining to health, safety, behavioural, skill upgradation, management, operations, etc.	75.00%
Workers	44	Various trainings pertaining to health, safety, behavioural, skill upgradation, management, operations, etc.	88.00%

2 **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:**

Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

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

5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

There have been no cases involving disciplinary action taken by any law enforcement agency on charges of bribery/corruption against directors/KMPs/employees/workers that have been brought to the Company's attention.

6. Details of complaints with regard to conflict of interest:

Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY23	FY22	Details of improvements in environmental and social impacts
R&D	100.00%	100.00%	Chemical Recycling of Polyester in all forms
Capex	0.26%	0.99%	Solar Rooftop in Dadra and Dahej Plant

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company strives to integrate social, ethical and environmental factors across the entire supply chain. We are in the process of developing a framework for sustainable sourcing across the portfolio.

In our continued efforts to increase the share of renewable power, the Company entered into a PPA to source hybrid wind and solar power from a reputable third-party power provider. With the commissioning of this project, the company is estimated to receive 50 million units of renewable power on an annual basis.

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

The Company does not have any specific product to reclaim at the end of life. However, at the plant sites, there are system in place to recycle, reuse and dispose in line with regulatory requirement for waste being generated during course of manufacturing.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities? (Yes/No):

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company is following all the guidelines as per ERP.

PRINCIPLE 3 Businesses should respect and promote the well-being of all Employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of Employees:

Category	% of Employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	982	982	100.00%	982	100.00%	-	-	982	100.00%	-	-
Female	18	18	100.00%	18	100.00%	18	100.00%	-	-	-	
Total	**1000**	**1000**	**100.00%**	**1000**	**100.00%**	**18**	**1.80%**	**982**	**98.20%**	**-**	**-**
Other than Permanent Employees											
Male	4	4	100.00%	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**4**	**4**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

b. Details of measures for the well-being of Workers:

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1501	1182	78.75%	1501	100.00%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**1501**	**1182**	**100.00%**	**1501**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent Workers											
Male	2381	-	-	2381	100.00%	-	-	-	-	-	-
Female	9	-	-	9	100.00%	-	-	-	-	-	-
Total	**2390**	**-**	**-**	**2390**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY23			FY22		
	No. of Employees covered as a % of total Employees	No. of Workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/NA)	No. of Employees covered as a % of total Employees	No. of Workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/NA)
PF	98.50%	100.00%	Yes	98.41%	100.00%	Yes
Gratuity	100.00%	100.00%	No	100.00%	100.00%	No
ESI	0.30%	-	Yes	0.40%	-	Yes
NPS	1.90%	-	Yes	1.58%	-	Yes

3. **Accessibility of workplaces:**

   Are the premises/offices of the entity accessible to differently abled Employees and Workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   The Company is in the process of equipped with the necessary accessibility provisions at workplace.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:**

   The Code of Conduct recognises the importance of treating everyone with fairness, respect and dignity. It expects everyone to act in a way that is consistent with our sense of fairness and equal opportunity.

5. **Return to work and Retention rates of permanent Employees and Workers, that took parental leave:**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00%	100.00%	-	-
Female	100.00%	100.00%	-	-
Total	**100.00%**	**100.00%**	**-**	**-**

6. **Is there a mechanism available to receive and redress grievances for the following categories of Employees and worker? If yes, give details of the mechanism in brief:**

	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	We have grievance redressal policy
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. **Membership of Employees and worker in association(s) or Unions recognised by the listed entity: Not applicable to us as we have no union:**

   Not Applicable

8. **Details of training given to Employees and Workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	982	780	79.43%	740	75.36%	934	770	82.44%	730	78.16%
Female	18	11	61.11%	10	55.56%	14	6	42.86%	5	35.71%
Total	**1000**	**791**	**79.10%**	**750**	**75.00%**	**948**	**776**	**81.86%**	**735**	**77.53%**
Workers										
Male	1501	1501	100.00%	1318	87.81%	1,436	1436	100.00%	1151	80.15%
Female	-	-	-	-	-	-	-	-	-	-
Total	**1501**	**1501**	**100.00%**	**1318**	**87.81%**	**1,436**	**1436**	**100%**	**1151**	**80.15%**

9. Details of performance and career development reviews of Employees and worker:

Category	FY23			FY22		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	982	982	100.00%	934	934	100.00%
Female	18	18	100.00%	14	14	100.00%
Total	**1000**	**1000**	**100.00%**	**948**	**948**	**100.00%**
Workers						
Male	1501	1501	100.00%	1436	1436	100.00%
Female	-	-	-	-	-	-
Total	**1501**	**1501**	**100.00%**	**1436**	**1436**	**100.00%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes. Occupational health and safety management system has been implemented by the entity. Filatex is ISO 45001:2018 accredited for Occupational Health and Safety (OH&S) Management and has designed and maintained an OH&S system as well as developed its own 'Occupational Health and Safety Policy' to meet the standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In accordance with ISO 45001:2018, the Company conducts weekly safety meetings with plant heads and section heads to review and discuss safety measures for a safe working culture and ZERO risk operations.

c. Whether you have processes for Workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for Workers to report work related hazards and to remove themselves from such risk.

d. Do the Employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	4	3
	Workers	16	20
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Safety & Health procedure implemented as per ISO 45001:2018 (Occupational Health and Safety Management System)

13. Number of Complaints on the following made by Employees and Workers:

No complaints received by employees and workers regarding Working Conditions and Health & Safety in 2022-23

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

All identified unsafe conditions are reviewed in regular safety committee meetings.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

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.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees & Workers	No	Circulars and messages from Corporate and line management, Welfare initiatives for employee and their families, Training and Skill Development Emails	Regularly	Employees' growth and benefits, their expectation, career growth, professional development and skill training
Customers	No	Business Interactions, Customer Satisfaction Surveys	Regularly	Resolution of Customer Complaints, Quality and Safety Details, New products offerings, Feedback, Challenges
Suppliers/ Contractors	No	Business interactions	Regularly	Business opportunities, Quality of raw materials, Supplier evaluation programme, Materials management and schedule, Issues faced by Company/ suppliers, supply chain issue
Community	No	Engagement for improving health awareness and participation in various social/religious events.	Regularly	Social concerns in the region, Local employment, Partnership with local NGOs for servicing wider set of local communities, Local infrastructure development, and other necessary support

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	Press Releases, Quarterly Results, Annual Reports, AGM (Shareholders interaction), Stock Exchange Fillings, Corporate Website and Email	As and when required	Financial and non-financial performance, Corporate Governance
Government & regulatory Bodies	No	Press release, quarterly results, Annual Reports, sustainability/ stock exchange fillings, issue specific fillings, representations	As and when required	Compliance requirements, Rules and regulations, Industry representation on key matters

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and Workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY23			FY22		
	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers covered (D)	% (D/C)
Employees						
Permanent	1000	1000	100.00%	948	948	100.00%
Other than permanent	4	4	100.00%	4	4	100.00%
Total Employees	**1004**	**1004**	**100.00%**	**952**	**952**	**100.00%**
Workers						
Permanent	1501	1501	100.00%	1436	1436	100.00%
Other than permanent	2390	2390	100.00%	2005	2005	100.00%
Total Workers	**3891**	**3891**	**100.00%**	**3441**	**3441**	**100.00%**

2. **Details of minimum wages paid to Employees and Workers, in the following format:**

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1000	-	-	1000	100.00%	948	-	-	948	100.00%
Male	982	-	-	982	100.00%	934	-	-	934	100.00%
Female	18	-	-	18	100.00%	14	-	-	14	100.00%

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Other than Permanent	4	-	-	4	100.00%	4	-	-	4	100.00%
Male	4	-	-	4	100.00%	4	-	-	4	100.00%
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	1501	-	-	1501	100.00%	1436	-	-	1436	100.00%
Male	1501	-	-	1501	100.00%	1436	-	-	1436	100.00%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	2390	-	-	2390	100.00%	2230	-	-	2230	100.00%
Male	2381	-	-	2381	100.00%	2222	-	-	2222	100.00%
Female	9	-	-	9	100.00%	8	-	-	2	-

3. **Details of remuneration/salary/wages, in the following format:**

(₹ In lakhs)

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (Annual)	Number	Median remuneration/ salary/wages of respective category (Annual)
Board of Directors (BoD)*	4	139.90	-	-
Key Managerial Personnel	1	14.54	-	-
Employees other than BoD and KMP	977	3.48	18	4.38
Workers	1501	2.46	-	-

*Non-Executive Independent Director receive a fee for attending the meeting and Non-Executive Non- Independent Director do not receive any remuneration, thus not included above.

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The grievances related to human rights are submitted to the Human Resources Department who follow the grievance redressal policy.

6. **Number of Complaints on the following made by Employees and Workers:**

   Nil

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Works Committee, Anti - Sexual Harassment Policy, Labor, and Employee Welfare Policies.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

9. Assessments for the year:

No third-party assessment was carried out in manufacturing plants and offices on child labour, sexual harassment, etc. However, in Filatex, there is zero tolerance towards any such kind of issue.

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY23	FY22
Total electricity consumption (A)	11,39,863.53	10,60,638.58
Total fuel consumption (B)	21,96,681.91	21,33,471.72
Energy consumption through other sources (C)	8,593.71	7,762.18
Total energy consumption (A+B+C)	33,45,139.15	32,01,872.48
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00007772	0.00008364

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Energy audits were undertaken by M/S Subodh Energy Services & M/s Nainesh Energy Audit.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)	-	-
(i) Surface water	-	-
(ii) Groundwater	46,405.00	54,983.00
(iii) Third party water	6,31,138 .00	5,96,665.00
(iv) Seawater/desalinated water	-	-
(v) Others	2,64,676.00	2,18,158 .00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9,42,219.00	8,69,806.00
Total volume of water consumption (in kilolitres)	9,42,219.00	8,69,806.00
Water intensity per rupee of turnover (Water consumed/turnover)	0.00002189	0.00002272

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have a mechanism for Zero Liquid Discharge in place. We have installed Effluent Treatment Plants with RO systems and have Evaporation Processes in place.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY23	FY22
NOx	micro gram/m3	42.10	27.70
SOx	micro gram/m3	33.30	26.30
Particulate matter (PM)	micro gram/m3	114.00	43.00
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others - Carbon Monoxide	micro gram/m3	0.11	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Air audit was undertaken by Aryan Eco Green Pvt. Ltd.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) (Metric tonnes of CO2 equivalent)	Metric tonnes of CO2 equivalent	3,959.22	12,598.99
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) (Metric tonnes of CO2 equivalent)	Metric tonnes of CO2 equivalent	2,62,243.60	1,86,130.08
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	0.000006185	0.000005191

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:**

Company has entered into contract with reputed power company for sourcing Hybrid Wind Solar Power	Electrical Saving + Reduction of GHG
Installation of new Electrostatic Precipitators (ESP) in Thermic Fluid Heaters	Reduction of GHG
Consumption of Lower GCV Ash in our Boilers for generating power	Coal Saving
Using super Efficiency class IE-3 induction motors to get Improved efficiency	Electrical Saving
LED lights replacement for power saving as well as better illumination in power plant	Electrical Saving
Replacing Reciprocating Compressor with 2.5 Bar Centrifugal Air Compressor	Electrical Saving
Installing new Waste Heat Recovery Boilers in Thermic Fluid Heaters to Generate Steam for running VAM Chillers	Electrical Saving
New Project for Rain Water Harvesting Commissioned	Water Saving
Replaced Reciprocating Compressor of 4.0 bar to Centrifugal Compressor	Electrical Saving
Replaced Screw Chiller & lower efficiency Centrifugal chiller with New Centrifugal Chiller having ATB System	Electrical Saving
Replaced Manual Winders of 4 Ends with Automatic Winders of 12 Ends	Electrical Saving

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	775.94	589.87
E-waste (B)	1.94	2.41
Bio-medical waste (C)	0.30	0.45
Construction and demolition waste (D)	-	-
Battery waste (E)	5.70	9.82
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	**140.61**	**154.79**
ETP Sludge	36.85	30.41
Used Oil	103.76	124.38
Other Non-Hazardous waste. Please specify, if any. (H)	**9,058.05**	**6,772.08**
FLY ASH	5,621.06	3,181.19
METAL WASTE	370.13	188.82
OTHER	95.93	192.35
PACKING WASTE	2,901.58	3,117.55
PTA WASTE	65.06	92.17
VECHILE/FORKLIFT	4.29	-
Total (A+B + C + D + E + F + G + H)	**9,982.54**	**7,529.42**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	9,054.00	6,772.00
(ii) Re-used	4.00	-
(iii) Other recovery operations	-	-
Total	**9,058.00**	**6,772.00**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	2.05	3.01
(iii) Other disposal operations	1,481.09	1,197.40
Total	**1483.14**	**1200.41**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We follow Gujarat Pollution Control Board (GPCB) norms. We do not fall under hazardous and toxic chemicals.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Nil

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations: Nine

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	PHD Chamber of Commerce & Industry	National
2	PTA User Association	National
3	Synthetic & Rayon Textiles Export Promotion Council	National
4	Silvassa Industries Association (SIA)	State
5	Dadra & Nagar Haveli Industries Association (D&NHIA)	State
6	Dahej Industrial Association	State
7	Bharuch District Management Association	State
8	Surat Chamber of Commerce	State
9	Delhi Chamber of Commerce	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable - We have No SIA Notification.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable: No Rehabilitation and Resettlement (R&R) were undertaken by the entity during the reporting period.

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY23	FY22
Directly sourced from MSMEs/small producers	4.00%	5.52%
Sourced directly from within the district and neighbouring districts	45.97%	61.73%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our company's complaint resolution process is aimed at providing customer satisfaction. Upon receiving a complaint through various channels such as verbal, written, or email communication, our Customer Technical Service (CTS) team reviews the product details using our comprehensive traceability system which communicates the lot number, date of production, etc. and initiates a comprehensive inquiry, including on-site visits and trials if necessary. Any relevant samples are sent to our plant for detailed analysis. Based on the findings, appropriate solutions are proposed, and the customer is informed of the results. In instances where the material does not meet our standards, provisions for goods return or claims are promptly managed. The entire process emphasizes transparent communication, thorough investigation, and timely resolution, reflecting our unwavering commitment to quality and customer satisfaction.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

Products/Services	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as the Company does not have a specific consumer usage product range.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Not Applicable

4. Details of instances of product recalls on account of safety issues:

Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

In alignment with our commitment to maintain the utmost security and confidentiality of the information systems and associated data, we have developed and implemented a comprehensive cyber risk management policy that adheres to industry best practices and regulatory standards. Here is an overview of our core cybersecurity strategies:

1. **Firewall Management:** Utilizing advanced Dell Sonic Firewall devices, we have updated our firewalls with the latest anti-virus packages. These are configured with stringent policies to restrict both external and internal access, with WAN policies explicitly limiting external accessibility.
2. **Network Configuration:** Our network leverages MPLS connectivity and Virtual Private Network (VPN) implementations across various locations, thereby ensuring secure and seamless access to data and our Enterprise Resource Planning (ERP) systems.
3. **Malware Defense:** We have positioned our servers behind firewalls with updated anti-virus software capable of scanning and neutralizing a wide spectrum of malicious threats, including Malware, Ransomware, and various other viruses.
4. **Data Backup and Recovery:** Comprehensive in-house data secure management is maintained, with backups conducted bi-daily and redundant copies stored on Microsoft's Azure Servers.
5. **Technical Team Oversight:** A dedicated and experienced technical team is in place to manage the firewalls, servers, and network infrastructure.
6. **Mobile Device Management (MDM):** The implementation of MDM ensures that emails are configured by the IT team exclusively on senior officers' devices, following precise management guidelines.
7. **Domain Policy Enforcement:** We employ stringent Domain Group Policies to restrict users from attaching unauthorized mobile devices, and to govern Internet usage across the organization.
8. **Email Security:** Utilization of Microsoft's O365 suite provides robust virus and spam management capabilities, enhancing email security.
9. **IT Department Security:** The IT department across all locations is safeguarded through restricted access to authorized personnel only, further mitigating potential internal threats.
10. **Compliance and Regulatory Adherence:** Our cyber risk management policy ensures compliance with all applicable legal and regulatory requirements, providing an additional layer of assurance to our investors.

    These advanced technical implementations underline our robust approach to cybersecurity, emphasizing both proactive and reactive strategies to safeguard the integrity, availability, and confidentiality of our digital assets. We continually assess and update our security posture to align with emerging threats and technological advancements, reflecting our unwavering commitment to protect shareholder value and uphold our reputation as a secure and trustworthy organization.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

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, 2023, 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, 2023, the profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

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

Sr. No.	Key Audit Matters	Auditors Response
1.	**Litigation, claims and other contingencies** (As described in note No. 41 A of the Ind AS financial statements) as of March 31, 2023, the Company has disclosed contingent liabilities of ₹ 10,223.96 lakhs relating to tax and legal claims. Taxation and litigation exposures have been identified as a key audit matter due to the large number of complex tax and legal claims across the Company. Due to complexity of cases, time scales for resolution and need to negotiate with various authorities, there is significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the Ind AS financial statements. Accordingly, claims, litigations, and contingent liabilities was determined to be a key audit matter in our audit of the Ind AS financial statement.	**Principal Audit Procedures** ▪ Gained an understanding of the process of identification of claims, litigations, and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. ▪ Obtained the Company's legal and tax cases summary and critically assessed management's position through discussions with the legal head, tax head and Company management, on both the probability of success in significant cases, and the magnitude of any potential loss. ▪ Obtained opinion, where appropriate, from relevant third-party legal counsel and conducted discussions with them regarding material cases. Evaluated the objectivity, independence, competence, and relevant experience of third-party legal counsel. ▪ Inspected external legal opinions, where appropriate and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. ▪ Checked the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.
2.	**Allowance for Inventories** The Company holds significant inventories and records allowance for identified obsolete inventories. As at March 31, 2023, the Company's inventories amounted to ₹ 40924.68 lakhs representing 19.37% of the Company's total assets. Refer Note No. 10 of financial statements.	**Principal Audit Procedures** Our audit procedures to assess allowance for inventories included the following: ▪ We checked the management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is reasonable and consistently applied.

Sr. No.	Key Audit Matters	Auditors Response
	At the end of each reporting period, management assesses whether there is any objective evidence that certain inventories, which are stated at cost, are above their net realizable value. If so, these inventories are written down to their net realizable value. Assessing the net realizable value is an area of significant judgment with specific consideration to slow moving and obsolete inventory and hence considered to be a Key Audit Matter. Management undertakes the following procedures for determining the level of write down required. ▪ Specific identification procedures are performed periodically by the management to ascertain the slow moving, non-moving or obsolete inventories. ▪ Adequate allowance is created for non-moving and slow-moving inventories basis market realizable value and need of incremental re-processing cost.	▪ We checked that the allowance for slow-moving, non-moving, and obsolete inventories is appropriately computed basis the underlying working/supporting. ▪ We compared the actual utilization/liquidation of inventories to the status of inventories previously assessed as per specific identification method. ▪ We also checked inventory aging and inquiries for non-moving inventories which are not considered for inventory provisioning.

OTHER INFORMATION

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

   e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

   g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note-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.

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

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

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

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

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

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is Not Applicable for the financial year ended March 31, 2023.

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

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

SUNIL NARWAL
Partner
Membership No.: 511190
UDIN: 23511190BGX1LA80501

Place: New Delhi
Date: May 04, 2023

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

SACHIN KUMAR
Partner
Membership No.: 503204
UDIN: 23503204BGVGME5028

Place: New Delhi
Date: May 04, 2023

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, 2023 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SUNIL NARWAL
Partner
Membership No.: 511190
UDIN: 23511190BGX1LA80501

Place: New Delhi
Date: May 04, 2023

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

SACHIN KUMAR
Partner
Membership No.: 503204
UDIN: 23503204BGVGME5028

Place: New Delhi
Date: May 04, 2023

Annexure-B to the Independent Auditors' Report

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

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

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

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

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

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

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

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

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

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

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

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

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

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

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

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

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

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

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

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Sr. No	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to Which it relates	Forum where Dispute is pending
1.	Central Excise Act, 1944.	Service Tax Credit before starting of production	51.08	F.Y 2011-12	CESTAT, Ahmedabad
2.	Central Excise Act, 1944.	Credit of Service Tax availed on courier service.	0.21	F. Y's 2005-06 & 206-07	The Asst. Commissioner of Central Excise, Silvassa.
3.	Central Excise Act, 1944.	Demand of Service Tax credit availed on Sales Commission for the years 2009-10 & 2010-11	15.31	F. Y's 2009-10 & 2010-11	The Addl. Commissioner, Central Excise, Customs & Service Tax, Vapi
4.	Central Excise Act, 1944	Demand of Service Tax credit availed on Sales Commission for the years 2009-10 & 2010-11	1.32	From December 2015 to September 2016	The Superintendent, Central Ex & Custom, Range-IV, Division -1, Silvassa
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	52.24	From April 2009 to April 2012	Commissioner (Appeals) C.E., Vapi
6.	Customs Act, 1962.	Differential duty on import of chips	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

Sr. No	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to Which it relates	Forum where Dispute is pending
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 ISilvassa.
11.	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period January 2013 to February 2016	42.78	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 Q33 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
14.	Central Goods and Service tax Act, 2017	Alleged issuance of bills vendors/ Traders to Filatex without any physical movement of goods	55.88	from December 2017 to January 2018	Commissioner Appeals State GST Vadodara
15.	Income Tax Act, 1961	Income Tax demanding income tax and interest in respect of additions/disallowances	7128.22	AY 2016-17 AY 2018-19 AY 2020-21 AY 2021-22	Commissioner of Income Tax (Appeals), New Delhi
16.	Central Goods and Service tax Act, 2017	Inverted duty Refunds against ITC	2340.87	From May 2018 - February 04, 2022	Gujarat High Court Ahmedabad
17.	Central Goods and Service tax Act, 2017	Cross Charge of Service by Corporate Office.	815.81	July 2017 to March 2021	Additional/Joint Commissioner CGST & Central Excise, Delhi East.

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiary, associate, or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2023. Accordingly, clause 3(ix)(e) is Not Applicable.

(f) The Company does not hold any investment in any subsidiary, associate, or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2023. Accordingly, clause 3(ix)(f) is Not Applicable.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is Not Applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUNIL NARWAL
Partner
Membership No.: 511190
UDIN: 23511190BGX1LA80501

Place: New Delhi
Date: May 04, 2023

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

SACHIN KUMAR
Partner
Membership No.: 503204
UDIN: 23503204BGVGME5028

Place: New Delhi
Date: May 04, 2023

Balance Sheet

As at March 31, 2023

(₹ In lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipments	3	1,30,377.80	1,20,759.37
Capital work in progress	3A	571.44	4,142.73
Right of Use Assets	4	3,892.49	3,938.42
Other Intangible assets	5	49.40	65.15
Intangible Assets under Development	5	-	24.50
Financial Assets			
Investments	6	1,076.65	-
Other Financial Assets	7	143.66	101.67
Income Tax Assets (net)	8	683.94	19.73
Other non-current assets	9	305.36	1,365.99
Total Non-Current Assets		**1,37,100.74**	**1,30,417.56**
Current Assets			
Inventories	10	40,924.68	37,569.35
Financial Assets			
Investments	11	30.02	-
Trade receivables	12	13,107.53	14,505.33
Cash & Cash Equivalents	13	5,203.68	90.00
Bank balances (other than cash and cash equivalents)	14	4,372.59	2,793.45
Loans	15	60.39	47.22
Other Financial assets	16	144.24	2,174.71
Income Tax Assets (net)	17	-	324.34
Other current assets	18	10,373.96	14,407.39
Total Current Assets		**74,217.09**	**71,911.79**
TOTAL ASSETS		**2,11,317.83**	**2,02,329.35**
EQUITY & LIABILITIES			
EQUITY			
Equity Share Capital	19	4,430.11	4,505.31
Other Equity	20	1,05,471.68	1,04,040.53
Total Equity		**1,09,901.79**	**1,08,545.84**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	21	24,859.98	30,368.42
Lease Liabilities	22	112.58	152.40
Other financial liabilities	23	300.36	255.58
Provisions	24	1,015.85	895.89
Deferred tax liabilities (Net)	25	14,218.54	14,548.41

Balance Sheet

As at March 31, 2023

(₹ In lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Other non-current liabilities	26	2,656.28	2,350.48
Total Non-Current Liabilities		**43,163.59**	**48,571.18**
Current Liabilities			
Financial Liabilities			
Borrowings	27	5,338.60	5,280.34
Lease Liabilities	28	39.82	34.57
Trade Payables			
Total Outstanding Dues of Micro and Small Enterprises	29	1,379.85	949.75
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	29	39,346.49	30,805.34
Other financial liabilities	30	7,659.24	6,684.39
Other current liabilities	31	4,043.21	1,006.60
Provisions	32	445.24	451.34
Total Current Liabilities		**58,252.45**	**45,212.33**
TOTAL EQUITY AND LIABILITIES		**2,11,317.83**	**2,02,329.35**
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

SACHIN KUMAR
Partner
Membership No.: 503204

SUNIL NARWAL
Partner
Membership No.: 511190

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date: May 04, 2023

Statement of Profit and Loss

For the year ended March 31, 2023

(₹ In lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income:			
Revenue from operations	33	4,30,387.32	3,82,809.40
Other Income	34	1,813.71	2,523.06
Total Income (I)		**4,32,201.03**	**3,85,332.46**
Expenses:			
Cost of materials consumed	35	3,49,236.18	2,86,041.11
Purchases of stock-in-trade		3,611.22	3,358.63
Changes in Inventories of finished goods, stock in trade & work in progress	36	1,818.82	(3,714.04)
Employee benefits expense	37	9,212.99	8,586.71
Finance cost	38	5,938.36	3,600.10
Depreciation & Amortization expense	3,4 & 5	6,865.43	6,338.06
Other Expenses	39	43,309.97	35,427.03
Total Expenses (II)		**4,19,992.97**	**3,39,637.60**
Profit before exceptional items & tax		**12,208.06**	**45,694.86**
Exceptional Items [Profit/(Loss)] (refer note 57)		-	164.09
Profit before tax		**12,208.06**	**45,858.95**
Tax Expense:			
Current tax	25	3,556.39	14,010.63
Deferred tax	25	(337.89)	1,575.61
Total tax expense		**3,218.50**	**15,586.24**
Net profit after tax for the year		**8,989.56**	**30,272.71**
Other Comprehensive Income/(loss)			
A. (i) Items to be reclassified to profit or loss		-	-
(ii) Income tax relating to items to be reclassified to profit or loss		-	-
B. (i) Items not to be reclassified to profit or loss			
Re-measurement of defined benefit plans		31.88	(40.49)
(ii) Income tax relating to items not to be reclassified to profit or loss		(8.02)	10.19
Total Comprehensive Income for the year		**9,013.42**	**30,242.41**
Earnings Per Share (EPS) in Rupees (Face value of ₹ 1/- per share)			
- Basic	40	2.02	6.76
- Diluted	40	2.02	6.74
Summary of significant accounting policies	2		

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

As per our report of even date

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

For **ARUN K. GUPTA & ASSOCIATES**
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SUNIL NARWAL
Partner
Membership No.: 511190

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date: May 04, 2023

Statement of Cash Flow

For the year ended March 31, 2023

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Net profit/(loss) before tax	12,208.06	45,858.95
Adjustments for:		
- Depreciation/amortization	6,865.43	6,338.06
- Loss/(profit) on Property, Plant & Equipment sold/discarded (net)	(22.09)	(21.21)
- Employee Stock Option expense	18.38	51.45
- Remeasurement of Employee Benefit Expenses	31.88	(40.49)
- Unrealised Foreign exchange Loss/(profit) (net)	965.34	(289.23)
- Unrealised Marked to Market (Gain)/Loss	(74.51)	64.84
- Provisions/liabilities no longer required, written back (net)	(28.64)	(26.41)
- Processing Fees on Long term Loans	325.99	450.26
- Exceptional Items (Profit on sale of land)	-	(164.09)
- Provision for Doubtful Debts	-	5.00
- Provision for Doubtful Debts written back	(42.81)	-
- Provision for Net gain on Fair Value changes at FVTPL on Investments	(40.83)	-
- Income recognised on account of government assistance	(133.71)	(124.87)
- Interest expense	3,470.87	1,531.51
- Interest income	(988.13)	(555.39)
- Gain on sale of mutual fund measured at fair value through profit and loss	(337.01)	(97.52)
Operating profit before working capital changes	**22,218.22**	**52,980.86**
Movements in working capital:		
Decrease/(increase) in trade receivables	1,430.65	(2,294.48)
Decrease/(increase) loans and advances/other current assets	4,773.11	(5,168.21)
Decrease/(increase) in inventories	(3,355.33)	(12,127.53)
Increase/(decrease) in trade & other payable/provisions	11,372.19	5,448.53
Cash generated from operations	**36,438.84**	**38,839.17**
Direct taxes paid (net of refunds)	(3,896.26)	(8,418.01)
Net cash flow from operating activities (a)	**32,542.58**	**30,421.16**
Cash flow from investing activities		
Purchase of Property, Plant & Equipment (Including Capital Advances & CWIP)	(11,199.24)	(9,167.59)
Proceeds from sale of Property, Plant & Equipment (Including advances received)	38.95	422.29
Payment to acquire Investments	(1,076.65)	-
Payment to acquire liquid mutual fund	(77,845.82)	(33,400.00)
Proceeds from sale of Investments	-	4.54
Proceeds from sale of liquid mutual fund	78,193.64	33,497.52
(Increase)/Decrease in deposits	(1,699.50)	(194.59)
Interest received	2,203.78	264.38

Statement of Cash Flow

For the year ended March 31, 2023

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net cash flow from/(used in) investing activities (b)	**(11,384.84)**	**(8,573.45)**
Cash flow from financing activities		
Proceeds from exercise of Share option (including share application money)	141.47	2,904.62
Proceeds from long-term borrowings from banks	4,483.03	2,080.17
Repayment of long term borrowings to Banks	(11,808.19)	(20,649.70)
Repayment of long term borrowings to others	-	(3,658.00)
Net Proceeds/(repayment) from/of short-term borrowings	324.83	(906.36)
Dividend Paid	(443.01)	(889.86)
Payment for buyback of equity shares	(5,950.00)	-
Tax paid on buyback of Equity shares	(1,366.31)	-
Share issue & buyback expenses	(58.00)	(9.39)
Payment of Lease Liabilities	(53.27)	(47.88)
Interest paid	(1,314.61)	(1,734.10)
Net cash flow from/(used in) financing activities (c)	**(16,044.06)**	**(22,910.50)**
Net increase/(decrease) in cash and cash equivalents (a + b + c)	5,113.68	(1,062.79)
Cash and cash equivalents at the beginning of the year	90.00	1,152.79
Cash and cash equivalents at the end of the year	**5,203.68**	**90.00**
Components of cash and cash equivalents		
Cash on hand	8.79	7.00
Balance with scheduled Banks:		
- on Current account	192.89	83.00
- on deposit with original maturity of less than 3 months	5,002.00	-
Total of Cash & Cash Equivalents	**5,203.68**	**90.00**

The accompanying notes are an integral part of financial statement.

As per our report of even date

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

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

For **R.N. MARWAH & CO LLP**
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Partner
Membership No.: 511190

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date: May 04, 2023

Statement of Changes in Equity

As at March 31, 2023

A. EQUITY SHARE CAPITAL (REFER NOTE-19)

(₹ In lakhs)

Issued, subscribed and fully paid	Number of Shares	Amount
As at March 31, 2021 (Equity shares of ₹ 2/- per share)	**22,08,18,000**	**4,416.36**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 01, 2021 (Equity shares of ₹ 2/- per share)	**22,08,18,000**	**4,416.36**
Shares issued on exercise of employee stock options during the year	16,47,250	32.95
Shares issued under Preferential allotment during the year	28,00,000	56.00
As at March 31, 2022 (Equity shares of ₹ 2/- per share)	**22,52,65,250**	**4,505.31**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 01, 2022 (Equity shares of ₹ 2/- per share)	**22,52,65,250**	**4,505.31**
Shares issued on exercise of employee stock options during the year	4,90,375	9.81
Shares Extinguished on buyback	(42,50,000)	(85.00)
Increase in the number of shares due to Share split	22,15,05,625	-
As at March 31, 2023 (Equity shares of ₹ 1/- per share)	**44,30,11,250**	**4,430.11**

B. OTHER EQUITY

(₹ In lakhs)

Particulars	Share application money pending allotment	Reserve and Surplus						Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Share based option outstanding	Retained Earnings	
Balance as at March 31, 2021	58.05	1,253.11	1,250.00	9,913.47	418.85	185.95	58,750.81	71,830.24
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2021	58.05	1,253.11	1,250.00	9,913.47	418.85	185.95	58,750.81	71,830.24

Statement of Changes in Equity

As at March 31, 2023

(₹ 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	
Profit for the Year	-	-	-	-	-	-	30,272.71	30,272.71
Dividend Paid (Final)	-	-	-	-	-	-	(889.86)	(889.86)
Expenses on Share Issue & Buyback of shares	-	-	-	-	-	-	(9.39)	(9.39)
Share based compensation to Employees	-	-	-		-	51.45	-	51.45
Shares issued on exercise of employee stock options	(302.66)	-	-	269.72	-	-	-	(32.94)
Shares issued under Preferential Allotment	-	-	-	2,604.00	-	-		2,604.00
Transfer to general reserve on exercise of stock options	-	-	-	-	127.76	(127.76)	-	-
Subscription to stock option scheme	244.61	-	-	-	-	-	-	244.61
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	-	(30.29)	(30.29)
Total for the year	**(58.05)**	**-**	**-**	**2,873.72**	**127.76**	**(76.31)**	**29,343.17**	**32,210.29**
Balance as at March 31, 2022	**-**	**1,253.11**	**1,250.00**	**12,787.19**	**546.61**	**109.64**	**88,093.98**	**1,04,040.53**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2022	**-**	**1,253.11**	**1,250.00**	**12,787.19**	**546.61**	**109.64**	**88,093.98**	**1,04,040.53**
Profit for the Year	-	-	-	-	-	-	8,989.56	8,989.56
Dividend Paid (Final)	-	-	-	-	-	-	(443.01)	(443.01)
Expenses on Share Issue & Buyback of shares	-	-	-	-	-	-	(58.00)	(58.00)
Tax on liability towards buyback of equity shares	-	-	-	-	-	-	(1,366.31)	(1,366.31)
Creation of Capital Redemption Reserve on buyback	-	-	85.00	-	-	-	(85.00)	-
Share based compensation to Employees	-	-	-		-	18.38	-	18.38
Shares issued on exercise of employee stock options	-	-	-	131.67	-	-	-	131.67

Statement of Changes in Equity

As at March 31, 2023

(₹ 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	
Buyback of equity shares	-	-	-	(5,865.00)				(5,865.00)
Transfer to general reserve on exercise of stock options	-	-	-	-	63.46	(63.46)	-	-
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	-	23.86	23.86
Total for the year	**-**	**-**	**85.00**	**(5,733.33)**	**63.46**	**(45.08)**	**7,061.10**	**1,431.15**
Balance as at March 31, 2023	**-**	**1,253.11**	**1,335.00**	**7,053.86**	**610.07**	**64.56**	**95,155.08**	**1,05,471.68**

i) Refer note 20 for nature and purpose of reserves.

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

As per our report of even date

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

SACHIN KUMAR
Partner
Membership No.: 503204

For **R.N. MARWAH & CO LLP**
Firm Registration No. 001211N/N500019
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SUNIL NARWAL
Partner
Membership No.: 511190

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date: May 04, 2023

Notes to the financial statements

For the year ended March 31, 2023

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 manufacturing of Polyester Chips, Polyester/Nylon/ Polypropylene Multi Filament Yarn and Narrow Fabrics. The Company is listed on Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) of India Limited.

The financial statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 04, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation of Financial Statements

a) Statement of compliance with Ind AS:

These financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant schedule III), as are applicable.

b) Basis of measurement:

These financial statements are prepared under the historical cost convention on accrual basis 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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

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

Interest Income

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

Dividend

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

2.4 Property, plant and equipment (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

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

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

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

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

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

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

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

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 01, 2016 as the deemed cost as of the transition date. The resulting adjustments have been directly recognized in retained earnings. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

Depreciation:

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

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

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

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

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed periodically including at the end of each financial year. Any changes in depreciation method, useful lives and residual values are treated as a change in accounting estimate and applied/adjusted prospectively, if appropriate.

Measurement of Fair Value:

a) Fair value hierarchy:

The fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued. The fair value measurement has been categorised as level 2 fair value based on the inputs to the valuations technique used.

b) Valuation technique:

Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which input relate to items that are comparable to the assets and the volume or the level of activity in the markets within which the inputs are observed.

2.5 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as "intangible assets under development".

Intangible assets are derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset are recognised as income or expense in the statement of profit and loss.

Deemed cost on transition to Ind AS:

Under the Previous GAAP, all Intangible assets were carried at in the Balance Sheet on basis of historical cost. The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Amortisation:

Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis. Estimated useful lives by major class of finite-life intangible assets are as follows:

Type of assets	Useful life in years
Computer software	5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

2.6 Financial Instruments

Financial Assets:

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

Financial assets are subsequently classified and measured at

- amortised cost (if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding).
- fair value through profit and loss (FVTPL).
- fair value through other comprehensive income (FVOCI).

Equity Instruments:

Investment in associates 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.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit & Loss.

Investments in Mutual fund:

Investments in Mutual funds are measured at fair value through profit and loss (FVTPL).

Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks and interest rate risks. Such derivative financial instruments are recorded at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset:

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. This involves use of provision matrix constructed on the basis of historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

Financial Liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The fair value of a financial instrument at initial recognition is normally the transaction price. If the Company determines that the fair value at initial recognition differs from the transaction price, difference between the fair value at initial recognition and the transaction price shall be recognized as gain or loss unless it qualifies for recognition as an asset or liability. This normally depends on the relationship between the lender and borrower or the reason for providing the loan. Accordingly in case of interest-free loan from promoters to the Company, the difference between the loan amount and its fair value is treated as an equity contribution to the Company.

In accordance with Ind AS 113, the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Off setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amount and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7 Impairment of Non-financial assets

The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.8 Borrowing costs

Borrowing costs comprises interest expense on borrowings calculated using the effective interest method and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. EIR calculation does not include exchange differences.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time considering project as a whole to get ready for their intended use or sale, are included in the cost of those assets. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalisation.

2.9 Foreign currency transactions

The financial statements are presented in Indian Rupees (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, the Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life of the asset.

Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company's lease asset classes primarily consist of leases for Land & office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Company presents right-of-use assets and lease liabilities separately in balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and low value leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, stores and spares: cost includes cost of purchase (viz. the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition and is net of trade discounts, rebates and other similar items) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving Weighted Average Method.
- Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Spare parts, which do not meet the definition of property, plant and equipment are classified as inventory.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.12 Employee benefits

Short- term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, social security contributions, short term compensated absences (paid annual leaves) etc. are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled and are expensed in the period in which the employee renders the related service.

Post-employment benefits:

i) Defined contribution plan

The defined contribution plan is post employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

ii) Defined benefit plan

The Company's obligation towards gratuity liability is a "defined benefit" obligation. The present value of the defined benefit obligations is determined on the basis of actuarial valuation using the projected unit credit method. The rate used to discount "defined benefit obligation" is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to Employees over the current year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss).

The amount of net interest expense, calculated by applying the liability discount rate to the net defined benefit liability or asset, is charged or credited to 'Finance costs' in the Statement of Profit and Loss.

Re-measurement of net defined benefit liability/asset pertaining to gratuity comprise of actuarial gains/losses (i.e. changes in the present value of the defined benefit obligation resulting from experience adjustments and effects of changes in actuarial assumptions), the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and is recognised immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss account in subsequent periods.

Other long-term employee benefit obligations:

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by Employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

2.13 Share-Based Payments:

Employees of the Company receive remuneration in the form of share based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share based payment, the fair value on the grant date of the awards given to Employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated using an appropriate valuation model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. An additional expense is recognised for any modification that increases the total fair value of the shares based payments transactions, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, the Company issues fresh equity shares.

2.14 Government Grant:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Accordingly, government grants:

a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income in profit or loss on a systematic basis over the useful life of the assets.

b) related to an expense item is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and presented as deduction from the related/ relevant expense.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.15 Taxation

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

Current income tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses unabsorbed tax depreciation. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Uncertain Tax Issue:

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

In determining the approach that predicts the resolution of the uncertainty, the Company has considered most likely amount method & expected value method. Company adopted most likely amount method for resolution of the uncertainty of its tax treatment.

The Company determined, based on its tax compliance that it is probable that its tax treatment will be accepted by taxation authorities.

2.16 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.

2.17 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.

2.18 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.

2.19 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and cash on hand and short term deposits/investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by the Company.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an entity's cash management.

2.20 Dividend to equity share holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.21 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 Research and development expenditure

Research expenditure is charged to the Statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised as an intangible asset under development. Tangible assets used in research and development are capitalised under respective heads.

These development costs are amortised over the estimated useful life of the projects or the products they are incorporated within. The amortisation of capitalised development costs begins as soon as the related product is released to production.

2.25 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.

2.26 Corporate Social Responsibility (CSR) expenditure

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

2.27 Standards notified but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

3. PROPERTY, PLANT AND EQUIPMENTS

(₹ In lakhs)

Particulars	Freehold Land	Building [refer note (iii) below]	Leasehold Improvements	Plant & Machinery [refer note (i), (ii) and (iii) below]	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total Property, Plant and Equipments
Gross Carrying Value as at April 01, 2021	**2,806.64**	**16,961.80**	**88.84**	**1,09,183.95**	**317.40**	**591.51**	**217.81**	**237.24**	**1,30,405.19**
Additions	21.94	2,586.75	-	14,813.05	18.76	214.91^	19.85	40.87	17,716.13
Sales/Adjustments	-	-	-	(143.00)	-	(49.27)	-	(7.61)	(199.88)
Gross Carrying Value as at March 31, 2022	**2,828.58**	**19,548.55**	**88.84**	**1,23,854.00**	**336.16**	**757.15**	**237.66**	**270.50**	**1,47,921.44**
Additions	-	1,576.79	-	14,734.52	12.56	46.53	27.68	40.96	16,439.04
Sales/Adjustments	-	-	-	(4.59)	-	(114.35)	(0.67)	-	(119.61)
Gross Carrying Value as at March 31, 2023	**2,828.58**	**21,125.34**	**88.84**	**1,38,583.93**	**348.72**	**689.33**	**264.67**	**311.46**	**1,64,240.87**

(₹ In lakhs)

Particulars	Freehold Land	Building [refer note (iii) below]	Leasehold Improvements	Plant & Machinery [refer note (i), (ii) and (iii) below]	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total Property, Plant and Equipments
Accumulated Depreciation as at April 01, 2021	**-**	**2,342.00**	**39.99**	**17,934.87**	**153.28**	**211.32**	**126.34**	**160.29**	**20,968.09**
Depreciation Expenses	-	683.41	8.46	5,405.06	32.64	81.17	29.99	35.58	6,276.31
Deductions/Adjustments	-	-	-	(52.52)	-	(23.50)	-	(6.31)	(82.33)
Accumulated Depreciation as at March 31, 2022	**-**	**3,025.41**	**48.45**	**23,287.41**	**185.92**	**268.99**	**156.33**	**189.56**	**27,162.07**
Depreciation Expenses	-	756.01	8.46	5,837.77	31.72	104.20	27.82	37.77	6,803.75
Deductions/Adjustments	-	-	-	(4.28)	-	(97.91)	(0.56)	-	(102.75)
Accumulated Depreciation as at March 31, 2023	**-**	**3,781.42**	**56.91**	**29,120.90**	**217.64**	**275.28**	**183.59**	**227.33**	**33,863.07**
Net Carrying Value as at March 31, 2022	2,828.58	16,523.14	40.39	1,00,566.59	150.24	488.16	81.33	80.94	1,20,759.37
Net Carrying Value as at March 31, 2023	2,828.58	17,343.92	31.93	1,09,463.03	131.08	414.05	81.08	84.13	1,30,377.80

^ Includes vehicle amounting to ₹ 85.00 lakhs purchased but not registered in the name of the Company.

If Freehold land was measured using the cost model. The carrying amounts would be as follows:

(₹ In lakhs)

Net Book Value	As at March 31, 2023	As at March 31, 2022
Cost	249.00	249.00
Accumulated depreciation and impairment	-	-
Net carrying value	**249.00**	**249.00**

i) Foreign Exchange differences on long term foreign currency loans (as permitted by para. D13AA of Ind AS 101) aggregating Loss of ₹ 57.01 lakhs capitalised (Previous year gain ₹ 47.79 lakhs decapitalised) during the year. The accumulated foreign exchange fluctuation capitalised is ₹ 5,188.65 lakhs (Upto Previous year ₹ 5,131.64 lakhs).

ii) Expenditure incurred during construction period ₹ 305.38 lakhs (previous year ₹ 929.00 lakhs) and borrowing cost ₹ 53.18 lakhs (previous year ₹ 1,005.80 lakhs) has been capitalised. (Refer note 56)

iii) Includes assets related to Research and development capitalised ₹ 650.50 lakhs (Previous year ₹ Nil) under Plant and machinery [including ₹ 79.58 lakhs (previous year ₹ Nil) as intangible assets under development] and ₹ 3.87 lakhs (previous year ₹ Nil) under Building and depreciation on the said assets ₹ 39.57 lakhs (previous year ₹ Nil) under Plant and Machinery and ₹ 0.24 lakhs under building. (refer note 3A, 5 and 55)

iv) Charge has been created against the aforesaid assets for the borrowings taken by the Company. (Refer note 21 and 27)

v) Title deeds of Immovable Properties not held in name of the Company:

Relevant Item in the Balance sheet	Description of the Property	Gross Carrying Value (₹ In lakhs)	Tittle deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipments	Freehold Land Survey No. 45/1, Demni Road, Dadra	21.94	Manjula Ben Nirbhay Singh Rajput	No	February 13, 2020	The possession and original agreement to sell of the property is in the name of the Company. Further, tittle deeds will be registered in the name of the Company once state Governments' policy on registry gets changed.

3 A. Capital Work in progress

(₹ In lakhs)

Particulars	Building	Plant & Machinery	Total
Gross Carrying Value as at April 01, 2021	**1,289.43**	**11,724.40**	**13,013.83**
Additions	1,343.33	4,330.46	5,673.79
Capitalised	(1,602.33)	(12,942.56)	(14,544.89)
Gross Carrying Value as at March 31, 2022	**1,030.43**	**3,112.30**	**4,142.73**
Additions	43.81	527.63	571.44
Capitalised	(1,030.43)	(3,112.30)	(4,142.73)
Gross Carrying Value as at March 31, 2023	**43.81**	**527.63**	**571.44**
Net Carrying Value as at March 31, 2022	1,030.43	3,112.30	4,142.73
Net Carrying Value as at March 31, 2023	43.81	527.63	571.44

i) Capital work-in-progress includes expenditure incurred during construction period pending allocation aggregating ₹ Nil (previous year ₹ 97.23 lakhs) and borrowing cost ₹ Nil (previous year ₹ 2.07 lakhs) (Refer note 56)

ii) Charge has been created against the aforesaid assets for the borrowings taken by the Company. (Refer note 21 and 27)

Capital Work in Progress (CWIP) Ageing Schedule as at March 31, 2023

(₹ In lakhs)

S.No	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
1	Projects in progress	571.44	-	-	-	571.44
2	Projects temporarily suspended	-	-	-	-	-
Total		**571.44**	**-**	**-**	**-**	**571.44**

Since, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan, hence the ageing for CWIP completion schedule has been dispensed with.

Capital Work in Progress (CWIP) Ageing Schedule as at March 31, 2022

(₹ In lakhs)

S.No	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
1	Projects in progress	3,616.66	175.35	-	-	3,792.01
2	Plant & Machinery under development (R&D) (refer note 55)	333.57	13.28	-	-	346.85
3	Building under development (R&D) (refer note 55)	1.62	2.25	-	-	3.87
4	Projects temporarily suspended	-	-	-	-	-
Total		**3,951.85**	**190.88**	**-**	**-**	**4,142.73**

Since, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan, hence the ageing for CWIP completion schedule has been dispensed with.

4. RIGHT OF USE ASSETS

(₹ In lakhs)

Particulars	Leasehold Land	Building	Total
Gross Carrying value as at April 01, 2021	**3,883.10**	**201.37**	**4,084.47**
Additions	-	6.96	6.96
Disposals	-	-	-
Gross Carrying Value as at March 31, 2022	**3,883.10**	**208.33**	**4,091.43**
Additions	-	-	-
Disposals	-	-	-
Gross Carrying Value as at March 31, 2023	**3,883.10**	**208.33**	**4,091.43**

(₹ In lakhs)

Particulars	Leasehold Land	Building	Total
Accumulated Depreciation as at April 01, 2021	**37.41**	**69.67**	**107.08**
Depreciation Expenses	19.52	26.41	45.93
Disposals	-	-	-
Accumulated Depreciation as at March 31, 2022	**56.93**	**96.08**	**153.01**
Depreciation Expenses	19.52	26.41	45.93
Disposals	-	-	-

(₹ In lakhs)

Particulars	Leasehold Land	Building	Total
Accumulated Depreciation as at March 31, 2023	**76.45**	**122.49**	**198.94**
Net Carrying Value as at March 31, 2022	3,826.17	112.25	3,938.42
Net Carrying Value as at March 31, 2023	3,806.65	85.84	3,892.49

If Leasehold land was measured using the cost model. The carrying amounts would be as follows:

(₹ In lakhs)

Net Book Value	As at March 31, 2023	As at March 31, 2022
Cost	1,654.54	1,654.54
Accumulated depreciation and impairment	60.65	53.03
Net carrying value	**1,593.89**	**1,601.51**

5. OTHER INTANGIBLE ASSETS

(₹ In lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development
Gross Carrying value as at April 01, 2021	**152.28**	**-**
Additions	-	24.50
Disposals/Capitalised	-	-
Gross Carrying Value as at March 31, 2022	**152.28**	**24.50**
Additions	-	55.08
Disposals/Capitalised ^	-	(79.58)
Gross Carrying Value as at March 31, 2023	**152.28**	**-**

(₹ In lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development
Accumulated Depreciation as at April 01, 2021	**71.31**	**-**
Depreciation Expenses	15.82	-
Disposals	-	-
Accumulated Depreciation as at March 31, 2022	**87.13**	**-**
Depreciation Expenses	15.75	-
Disposals	-	-
Accumulated Depreciation as at March 31, 2023	**102.88**	**-**
Net Carrying Value as at March 31, 2022	65.15	24.50
Net Carrying Value as at March 31, 2023	49.40	-

* Includes ₹ 55.08 lakhs (previous year ₹ 24.50 lakhs) on research and development project (refer note 55)

^ An amount of ₹ 79.58 lakhs has been capitalised in the cost of plant and machinery for the current year as R&D assets.

Intangible Asset under development Ageing Schedule as at March 31, 2023

(₹ In lakhs)

S.No	Particulars	Amount in intangible asset under development for a period of				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
1	Project in progress (R&D) (refer note 55)	-	-	-	-	-
2	Projects temporarily suspended	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**

Intangible Asset under development Ageing Schedule as at March 31, 2022

(₹ In lakhs)

S.No	Particulars	Amount in intangible asset under development for a period of				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
1	Project in progress (R&D) (refer note 55)	24.50	-	-	-	24.50
2	Projects temporarily suspended	-	-	-	-	-
Total		**24.50**	**-**	**-**	**-**	**24.50**

6. NON-CURRENT INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Value	No. of Shares	Value
Unquoted:				
Investment measured at fair value through profit & loss				
Equity instruments				
Face Value of ₹ 10 each fully paid				
FPEL Sunrise Private Limited	7,17,451	537.73	-	-
FP Crysta Energy Private Limited	7,11,538	538.92	-	-
Total		**1,076.65**		**-**
Aggregate amount of unquoted investments		1,036.00		-
Aggregate amount of impairment in value of Investments		-		-
Investment Carried at Fair Value through Profit & Loss		1,076.65		-

7. NON-CURRENT OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	110.60	78.76
Interest Receivable - On FDR	0.94	1.06
Deposits with banks remaining maturity of more than 12 months (refer note 14)	32.12	21.85
Total	**143.66**	**101.67**

8. NON-CURRENT INCOME TAX ASSETS (NET)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax recoverable (net of provisions)	483.94	19.73
Deposit against demand	200.00	-
Total	**683.94**	**19.73**

9. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	222.43	1,322.98
Deposit with excise/sales tax department under protest	21.10	18.38
Prepaid expenses	61.83	24.63
Total	**305.36**	**1,365.99**

10. INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials (includes Inventory in Transit ₹ 10,041.04 lakhs, previous year ₹ 5,426.98 lakhs)	20,158.41	14,595.86
Work In Progress	2,217.24	1,488.75
Finished Goods (Including goods in transit ₹ 674.23 lakhs, previous year ₹ 360.07 lakhs)	14,272.15	16,819.46
Packing Material	1,872.20	1,594.54
Stores, Spares & Consumables (includes Inventory in Transit ₹ 1,212.03 lakhs, previous year ₹ 708.83)	2,404.68	3,070.74
Total	**40,924.68**	**37,569.35**

Inventories have been pledged as security for borrowings, refer note 21 and note 27 for details

11. CURRENT INVESTMENT

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted:		
Investment measured at fair value through profit & loss		
Investment in liquid mutual funds	30.02	-
Total	**30.02**	**-**
Aggregate book value of quoted investments	29.84	-
Market value of quoted investments	30.02	-

12. TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	13,091.40	14,458.73

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables which have significant Increase in Credit risk	57.86	131.14
Trade receivables - Credit impaired	-	-
	13,149.26	**14,589.87**
Less: Allowance for doubtful trade receivables	41.73	84.54
Total	**13,107.53**	**14,505.33**

There are no trade receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

Trade Receivables have been pledged as security for borrowings, refer note 21 and note 27 for details.

Trade Receivable Ageing Schedule as at March 31, 2023

(₹ In lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
Undisputed Trade receivables							
considered good	9,331.79	3,759.61	-	-	-	-	13,091.40
which have significant increase in credit risk	-	-	3.03	-	-	-	3.03
credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	54.83	54.83
credit impaired	-	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Trade Receivable Ageing Schedule as at March 31, 2022

(₹ In lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
Undisputed Trade receivables							
considered good	7,441.52	7,017.21	-	-	-	-	14,458.73
which have significant increase in credit risk	-	-	25.13	0.28	-	-	25.41
credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	72.37	33.36	105.73
credit impaired	-	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

13. CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with Banks	192.89	83.00
Cash on hand	8.79	7.00
Deposits with original maturity of less than 3 months	5,002.00	-
Total	**5,203.68**	**90.00**

14. BANK BALANCES (OTHER THAN CASH AND CASH EQUIVALENT)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with bank		
Unpaid dividend account *	2.41	1.54
Unspent CSR account *	-	110.96
Other Bank balances		
Deposits with original maturity of less than 3 months **	83.22	378.06
Deposits with original maturity for more than 3 months but upto 12 months **	2,758.36	2,272.77
Deposits with original maturity of more than 12 months **	1,560.72	51.97
Total	**4,402.30**	**2,702.80**
Less: Amount disclosed under non-current financial assets (refer note 7)	32.12	21.85
Total	**4,372.59**	**2,793.45**

* The balances are not available with the Company for utilisation

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

15. CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, considered good unless otherwise stated)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances/Loan to Employees	60.39	47.22
Total	**60.39**	**47.22**

There are no loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

16. OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance claims receivable	14.82	839.43
Interest Receivable - On FDR	91.16	31.69
Interest Subsidy Receivable	28.59	1,303.59
Derivative Financial Assets (Foreign currency forward contracts)	9.67	-
Total	**144.24**	**2,174.71**

17. CURRENT INCOME TAX ASSETS (NET)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax asset (net of provision)	-	324.34
Total	**-**	**324.34**

18. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to suppliers	95.17	167.93
Deposit with related parties (refer note 46)	10.78	9.60
GST Refund claim with statutory authority	4,081.54	9,549.17
Balance with the statutory/Government authorities*	5,552.03	3,935.60
Export Incentive Receivable	49.36	10.04
Electricity Duty Refundable	405.85	405.85
Prepaid expenses	101.26	245.54
License Scrips in Hand	73.96	-
Others	4.01	83.66
Total	**10,373.96**	**14,407.39**

* Includes ₹ 3,144.76 lakhs (previous year nil) against GST liability yet to be discharged in the matter of pre-import condition in view of Honourable Supreme Court judgement.

19. EQUITY SHARE CAPITAL

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
60,00,00,000 Equity Shares of ₹ 1/- each (March 31, 2022: 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		
44,30,11,250 Equity Shares of ₹ 1/- each fully paid (March 31, 2022: 22,52,65,250 equity shares of ₹ 2/- each fully paid)	4,430.11	4,505.31
Total	**4,430.11**	**4505.31**

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

Equity shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ In lakhs)	No. of Shares	(₹ In lakhs)
At the beginning of the Period	22,52,65,250	4,505.31	22,08,18,000	4,416.36
Add: Shares issued during the Period under ESOP	4,90,375	9.80	16,47,250	32.95
Add: Shares issued under preferential allotment	-	-	28,00,000	56.00

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ In lakhs)	No. of Shares	(₹ In lakhs)
Less: Shares extinguished on buyback	(42,50,000)	(85.00)	-	-
Add: Increase on account of Share Split*	22,15,05,625	-	-	-
Outstanding at the end of the year	**44,30,11,250**	**4,430.11**	**22,52,65,250**	**4,505.31**

* The Board of Directors of the Company in their meeting held on November 08, 2022 recommended the sub-division of existing equity share having face value of ₹ 2/- each fully paid up into equity share having face value of ₹ 1/- each fully paid up. The above sub-division has been approved by the shareholders of the Company through postal ballot on December 14, 2022. Pursuant to sub-division of shares, the paid up equity shares of the Company was ₹ 4430.11 lakhs consisting of 44,30,11,250 equity shares of face value ₹ 1/- each.

b. Terms/rights attached to equity shares

1. The Company has only one class of equity shares having a par value of ₹ 1/- per share (previous year ₹ 2/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Issue of equity shares on preferential basis

During the previous year ended March 31, 2022 the Company had allotted on preferential basis 28,00,000 equity shares of ₹ 2/- each fully paid at a premium of ₹ 93 per share aggregating to ₹ 2,660 lakhs to promoter group. The proceeds of the preferential allotment have been utilised for general corporate purposes of the Company as stated in the explanatory statement of the AGM Notice.

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of ₹ 1/- each fully paid up				
Madhu Sudhan Bhageria	3,78,97,738	8.55%	3,86,23,598	8.57%
Purrshottam Bhaggeria	4,24,44,280	9.58%	4,34,73,596	9.65%
Madhav Bhageria	4,30,77,498	9.72%	4,38,49,596	9.73%
Azimuth Investments Ltd.	3,64,19,612	8.22%	3,73,00,000	8.28%
Janus Infrastructure Projects Private Limited	2,74,89,980	6.21%	2,80,42,070	6.22%
Nouvelle Securities Private Limited	2,47,90,854	5.60%	2,52,13,802	5.60%

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

* Due to shares split, no. of equity shares as on March 31, 2022 has been restated from ₹ 2 per equity share to ₹ 1 per equity share.

e. Equity share movement during the 5 years preceding March 31, 2023

Equity shares extinguished on buy-back

The Board of Directors at its meeting held on March 29, 2022 had approved buy-back of 42,50,000 fully paid equity shares of ₹ 2 per share (representing 1.89% of the paid up equity share capital) from the shareholders of the Company on a proportionate basis through tender offer, at a price of ₹ 140 per equity share for an aggregate amount not exceeding ₹ 5,950 lakhs (excluding taxes) in accordance with the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 as amended and the Companies Act, 2013 and rules made thereunder. The buy-back completed on May 31, 2022.

Consequent to the said buy-back, the equity share capital has been reduced by ₹ 85.00 lakhs and capital redemption reserve was created to the extent of share capital extinguished. The excess cost of buy-back of ₹ 5,865.00 lakhs over par value of shares was offset from Securities Premium (Other equity), applicable tax on buy-back of ₹ 1,366.31 lakhs and transaction cost towards buy-back of ₹ 58.00 lakhs were offset from retained earnings. The equity shares bought back were extinguished on June 03, 2022.

f. Details of shares held by Promoters (including promoter group)

As at March 31, 2023

Name of the promoter	No. of Shares at the beginning of year *	Change during the year *	No. of Shares at the end of the year	% of Total Shares	% of change during the year
Equity shares of ₹ 1/- each fully paid up					
Promoter					
Madhav Bhageria	4,38,49,596	(7,72,098)	4,30,77,498	9.72%	-1.76%
Purrshottam Bhaggeria	4,34,73,596	(10,29,316)	4,24,44,280	9.58%	-2.37%
Madhu Sudhan Bhageria	3,86,23,598	(7,25,860)	3,78,97,738	8.55%	-1.88%
Promoter's Group					
Azimuth Investments Limited	3,73,00,000	(8,80,388)	3,64,19,612	8.22%	-2.36%
Janus Infrastructure Projects Private Limited	2,80,42,070	(5,52,090)	2,74,89,980	6.21%	-1.97%
Nouvelle Securities Pvt Ltd	2,52,13,802	(4,22,948)	2,47,90,854	5.60%	-1.68%
Fargo Estates Private Limited	1,64,00,000	(3,95,986)	1,60,04,014	3.61%	-2.41%
Anu Bhageria	1,16,38,000	(2,81,004)	1,13,56,996	2.56%	-2.41%
Vrinda Bhageria	1,11,38,402	(2,67,866)	1,08,70,536	2.45%	-2.40%
Gunjan Bhageria	97,50,404	(2,25,104)	95,25,300	2.15%	-2.31%
Shefali Bhageria	88,16,404	(2,11,792)	86,04,612	1.94%	-2.40%
Vedansh Bhageria	78,00,000	(1,88,334)	76,11,666	1.72%	-2.41%
Yaduraj Bhageria	49,50,000	(1,19,518)	48,30,482	1.09%	-2.41%
Stuti Bhageria	41,60,000	(1,00,446)	40,59,554	0.92%	-2.41%
SMC Yarns Pvt Ltd	20,45,000	(49,376)	19,95,624	0.45%	-2.41%
Fabiola Farms & Dairy Products Pvt. Ltd	4,67,000	(11,274)	4,55,726	0.10%	-2.41%
Total	**29,36,67,872**	**(62,33,400)**	**28,74,34,472**	**64.88%**	**-2.12%**

* Due to share split, number of equity shares has been restated from ₹ 2 per equity share to ₹ 1 per equity share.

As at March 31, 2022

Name of the promoter	No. of Shares at the beginning of year *	Change during the year *	No. of Shares at the end of the year	% of Total Shares	% of change during the year
Equity shares of ₹ 1/- each fully paid up					
Promoter					
Madhav Bhageria	4,38,49,596	-	4,38,49,596	9.73%	Nil
Purrshottam Bhaggeria	4,34,73,596	-	4,34,73,596	9.65%	Nil
Madhu Sudhan Bhageria	3,86,23,598	-	3,86,23,598	8.57%	Nil
Promoter's Group					
Azimuth Investments Limited	3,46,98,164	26,01,836	3,73,00,000	8.28%	7.50%
Janus Infrastructure Projects Private Limited	2,80,42,070	-	2,80,42,070	6.22%	Nil
Nouvelle Securities Pvt Ltd	2,28,36,900	23,76,902	2,52,13,802	5.60%	10.41%

Name of the promoter	No. of Shares at the beginning of year *	Change during the year *	No. of Shares at the end of the year	% of Total Shares	% of change during the year
Fargo Estates Private Limited	1,64,00,000	-	1,64,00,000	3.64%	Nil
Anu Bhageria	1,16,38,000	-	1,16,38,000	2.58%	Nil
Vrinda Bhageria	1,10,00,000	1,38,402	1,11,38,402	2.47%	1.26%
Gunjan Bhageria	94,06,948	3,43,456	97,50,404	2.16%	3.65%
Shefali Bhageria	86,77,000	1,39,404	88,16,404	1.96%	1.61%
Vedansh Bhageria	78,00,000	-	78,00,000	1.73%	Nil
Yaduraj Bhageria	49,50,000	-	49,50,000	1.10%	Nil
Stuti Bhageria	41,60,000	-	41,60,000	0.92%	Nil
SMC Yarns Pvt Ltd	20,45,000	-	20,45,000	0.45%	Nil
Fabiola Farms & Dairy Products Pvt. Ltd	4,67,000	-	4,67,000	0.10%	Nil
Total	**28,80,67,872**	**56,00,000**	**29,36,67,872**	**65.18%**	**1.94%**

* Due to share split, number of equity shares has been restated from ₹ 2 per equity share to ₹ 1 per equity share.

g. 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)

h. Distribution made and proposed

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022 @ ₹ 0.20 per share of face value of ₹ 2 each [for the year ended March 31, 2021: ₹ 0.40 per share of face value of ₹ 2 each]	443.01	889.86

The difference in the proposed dividend and actual paid is due to increase in share capital on issue of ESOP and decrease due to buyback of shares by the Company on or before the record date for payment of dividend.

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Proposed dividend on equity shares:		
Final dividend for the year ended on March 31, 2023: @ ₹ 0.15 per share of face value of ₹ 1 each [March 31, 2022: @ ₹ 0.20 per share of face value of ₹ 2 each]	664.52	450.53

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at balance sheet date.

i. Shares held by holding Company or its subsidiaries/their Associates

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
No. of Shares	Nil	Nil

20. OTHER EQUITY

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Reserve	1,253.11	1,253.11
Capital Redemption Reserve	1,335.00	1,250.00
Securities Premium	7,053.86	12,787.19
General Reserve	610.07	546.61
Employee Stock Option Outstanding	64.56	109.64
Retained Earnings [Surplus/(deficit)]	96,967.95	88,962.64
Less: Dividend (Final) [refer note 19(h)]	(443.01)	(889.86)
Less: Share issue & buyback expenses	(58.00)	(9.39)
Less: Tax paid on Shares Buyback	(1,366.31)	-
Total Reserve and Surplus	**1,05,417.23**	**1,04,009.94**
Other Comprehensive Income (OCI)	54.45	30.59
Total	**1,05,471.68**	**1,04,040.53**

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 and purchase of its own shares out of free reserves of the Company in accordance with the requirements of Companies Act. This can be utilized in accordance with the provisions of the Companies Act, 2013

c) Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This can be utilized in accordance with the provisions of the Companies Act, 2013.

d) General Reserve

This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

e) Employee Stock Option Outstanding

The fair value of the equity-settled share based payment transactions with Employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

21. NON-CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From Banks		
(i) Term Loans		
- Rupee loans	8,906.69	3,620.31
- Foreign currency loans	-	13,368.33
- External Commercial Borrowing (ECB)	20,604.48	18,281.62
(ii) Vehicle Loans	-	15.92
Total	**29,511.17**	**35,286.18**
Less: Current maturity (refer note 27)	4,651.19	4,917.76
Total	**24,859.98**	**30,368.42**

I. Term loans

a) From Indian Banks

From banks under consortium arrangement lead by BOB and member bank PNB ₹ 8,906.69 lakhs (net of transaction cost of ₹ 81.41 lakhs) [previous year ₹ 9,201.63 lakhs (net of transaction cost of ₹ 104.06 lakhs)]. Rupee term loan bear floating interest rate at 1Y MCLR to 1Y MCLR +0.25% are repayable in ballooning quarterly instalments and is secured by equitable mortgage created/extended by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of Company's all movable assets (save & except vehicles, plant & machinery and equipment acquired through specific loans), mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) to the extent of the value of the property, personal guarantees of the promoter directors and corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property mortgaged (i.e. ₹ 305 lakhs). These loans are further secured by second pari passu charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future).

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

(i) ₹ 1,595.02 lakhs (net of transaction cost ₹ 12.33 lakhs) [previous Year ₹ 1,987.88 lakhs (net of transaction cost ₹ 40.74 lakhs)], are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipment's thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal instalments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% p.a.

(ii) ₹ 10,157.10 lakhs (net of transaction cost ₹ 396.97 lakhs) [previous Year ₹ 11,402.62 lakhs (net of transaction cost ₹ 565.27 lakhs)], are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipment's thereof and personal guarantee of promoter directors. The loan is repayable in 20 half yearly equal instalments that commenced from September 2018 and bear Interest at 6M Euribor + 1.10% p.a.

(iii) ₹ 8,852.36 lakhs (net of transaction cost ₹ 320.02 lakhs) [previous Year ₹ 4,891.12 lakhs (net of transaction cost ₹ 441.45 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 loans are repayable in 14 to 16 half yearly equal instalments that commenced from December 2019 and February 2023 and bear Interest at 6M Euribor + 0.80% p.a to 0.88% p.a.

II. The Company has used the borrowings from banks and financial institution for the specific purpose for which it was taken at the balance sheet date.

III. As on the balance sheet date, there is no default in repayment of loan and interest.

22. NON-CURRENT LEASE LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability (refer note 47)	112.58	152.40
Total	**112.58**	**152.40**

23. NON-CURRENT OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dealer's Deposits	300.36	255.58
Total	**300.36**	**255.58**

24. NON-CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity^ (refer note 48)	624.70	606.56
Provision for Leave Encashment*	391.15	289.33
Total	**1,015.85**	**895.89**

^ Includes an amount of ₹ 74.86 lakhs (previous year ₹ 71.23 lakhs) due to related party (refer note 46).

* Includes an amount of ₹ 33.30 lakhs (previous year ₹ 27.30 lakhs) due to related party (refer note 46).

25. DEFERRED TAX LIABILITIES (NET)

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Components of Income Tax Expense		
I. Tax expense recognised to Statement of Profit & Loss		
a) Current Tax		
- Current year	3,554.70	13,896.68
- Adjustment/(credits) related to previous years (net)	1.69	113.95
Total (a)	**3,556.39**	**14,010.63**
b) Deferred Tax		
- Relating to origination and reversal of Temporary differences	(337.89)	1,575.61
- Adjustment/(credits) related to previous years (net)	-	-
Total (b)	**(337.89)**	**1,575.61**
Income tax expense reported in the Statement of Profit & Loss (a+b)	**3,218.50**	**15,586.24**
II. Tax on other comprehensive income		
Deferred Tax		
- (Gain)/loss on remeasurement of net defined benefit plans	(8.02)	10.19
Total	**(8.02)**	**10.19**
B. Reconciliation of tax expense to the accounting profit is as follows:		
Accounting Profit before income tax	12,208.06	45,858.95
India's statutory Income tax rate (%)	25.168%	34.944%
Tax on accounting profit at above rate	3,072.52	16,024.95
Adjustments in respect of Income tax of Previous years	1.69	113.95
Non-deductible/(deductible) expenses for Tax purposes		
- CSR expenditure	140.11	153.85
- Depreciation on leasehold land	1.92	2.87
- Difference in Tax rate on sale of Land (Capital Goods)	-	(160.07)
- Employee share based payment expense	4.63	17.98
- Effect of deferred tax on transactions due to the changes in Income tax rate	0.52	(557.12)
- Effect of deduction allowed under income tax act	(15.53)	(54.91)
- Others	12.64	44.74
Income tax expense reported in the statement of Profit & Loss	**3,218.50**	**15,586.24**

The Company has elected to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the taxation laws (Amendment) Ordinance, 2019. Accordingly the Company has recognised tax expenses for the year ended March 31, 2023 on the basis of rate prescribed in this section. The tax rate used for calculating is 25.168%

C. Movement in Deferred Tax Assets and Liabilities

(₹ In lakhs)

Particulars	As at April 01, 2021	MAT Credit Utilised	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2022	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2023
a) Deferred tax liabilities								
- On property, plant and equipments	12,412.45	-	1,425.18	-	13,837.63	777.25	-	14,614.88
- On fair value gain/(loss) on Property, Plant & Equipment	1,075.71	-	(10.24)	-	1,065.47	(9.48)	-	1,055.99
- Interest Subsidy Deferred	255.73	-	72.36	-	328.09	(320.89)	-	7.20
- Right to use asset	33.14	-	(4.90)	-	28.24	(6.64)	-	21.60
- on Fair Value changes at FVTPL on Investments	-	-	-	-	-	10.28	-	10.28
Total deferred tax liabilities	**13,777.03**	**-**	**1,482.40**	**-**	**15,259.43**	**450.52**	**-**	**15,709.95**
b) Deferred tax assets								
- On Provision for Doubtful Debts and advances	20.02	-	1.26	-	21.28	(10.78)	-	10.50
- Lease liability and other	54.55	-	(4.83)	-	49.72	(8.33)	-	41.39
- 'Expense not allowed under income tax on provision, will be allowed on payment	-		-	-	-	524.51		524.51
- On exchange variation on capital goods charged to P&L	375.86	-	(128.31)	-	247.55	249.27	-	496.82
- On provision for compensated absences (Bonus & Leave encashment)	158.92	-	9.90	-	168.82	4.02	-	172.84
- On Gratuity and other Employee Benefits	184.69	-	28.77	10.19	223.65	29.72	(8.02)	245.35
Total deferred tax assets before MAT credit entitlement	**794.04**	**-**	**(93.21)**	**10.19**	**711.02**	**788.41**	**(8.02)**	**1,491.41**
Total deferred tax liabilities (Net) before MAT credit entitlement	**12,982.99**	**-**	**1,575.61**	**(10.19)**	**14,548.41**	**(337.89)**	**8.02**	**14,218.54**
Less: MAT Credit entitlement	5,807.66	(5,807.66)	-	-	-	-	-	-
Total deferred tax liabilities (Net)	**7,175.33**	**5,807.66**	**1,575.61**	**(10.19)**	**14,548.41**	**(337.89)**	**8.02**	**14,218.54**

26. NON-CURRENT OTHER LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Income * (refer note 49(a))	2,656.28	2,350.48
Total	**2,656.28**	**2,350.48**

* Represents government assistance in the form of duty saved benefit availed under Export promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over useful life of such assets.

27. CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
From Banks (Secured)		
(i) Working Capital		
- Rupee loans	687.41	362.58
Current maturity of long term borrowings (refer note 21)		
From Banks (secured)		
(i) Term Loans		
- Rupee loans	-	1,758.71
- External Commercial Borrowings	4,651.19	3,143.13
(ii) Vehicle Loans	-	15.92
Total	**5,338.60**	**5,280.34**

I. Working capital loans from consortium member banks (UBI, PNB, BOB and Indusind) are secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) on pari passu basis and are further secured by way of second charge on block of fixed assets of the Company (save & except vehicles and plant & machinery acquired out of specific loan(s)). These facilities are further secured by equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) to the extent of the value of the property and personal guarantees of promoter directors and corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property (i.e. ₹ 305 lakhs) on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at 1years MCLR to 1year MCLR+0.25%.

II. Disclosure of returns/Statements submitted by the Company to the bank on quarterly basis in respect of borrowings:

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

III. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

28. CURRENT LEASE LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability (refer note 47)	39.82	34.57
Total	**39.82**	**34.57**

29. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payable		
Dues of other than micro & small enterprises		

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
- Acceptances - Foreign	22,721.36	6,787.58
- Acceptances - Domestic	11,294.25	2,926.95
- Others	5,330.88	21,090.81
Dues of micro & small enterprises (refer note 44)	1,379.85	949.75
Total	**40,726.34**	**31,755.09**

Trade Payables Ageing Schedule as at March 31, 2023

(₹ In lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
Dues of micro and small enterprises	1,379.85	-	-	-	-	1,379.85
Dues of creditors other than micro and small enterprises	38,941.28	405.21	-	-	-	39,346.49
Disputed dues of micro and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Trade Payables Ageing Schedule as at March 31, 2022

(₹ In lakhs)

Particulars	Amount not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
Dues of micro and small enterprises	949.75	-	-	-	-	949.75
Dues of creditors other than micro and small enterprises	30,679.97	125.37	-	-	-	30,805.34
Disputed dues of micro and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

30. CURRENT OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued *	2,270.37	157.47
Security Deposit	56.59	64.68
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	2.41	1.54
Expenses payable #	2,212.44	2,387.73
Derivative Financial Liabilities (Foreign currency forward contracts)	-	64.84

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Creditors	40.74	617.90
Payable other than trade	3,076.69	3,390.23
Total	**7,659.24**	**6,684.39**

* Includes provision of ₹ 2,035.81 lakhs (previous year nil) on GST demand in the matter of pre-import condition in view of Honourable Supreme Court judgement.

Amount includes ₹ 83.75 lakhs (previous year ₹ 282.93 lakhs) payable to KMP's (refer note 46).

31. OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	164.59	155.03
Deferred Income* (refer note 49(a))	142.27	124.87
Custom Duty payable #	3,144.76	75.73
Dues to statutory authorities	321.09	428.03
Liability towards corporate social responsibility	270.50	222.94
Total	**4,043.21**	**1,006.60**

* Represents government assistance in the form of duty saved benefit availed under Export promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over useful life of such assets.

Includes ₹ 3,144.76 lakhs (previous year nil) in the matter of pre-import condition in view of Honourable Supreme Court judgement.

32. CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (refer note 48)	350.16	282.04
Provision for Leave Encashment	95.08	169.30
Total	**445.24**	**451.34**

33. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Contracts with Customers		
Sale of products	4,25,260.81	3,78,420.38
Sale of traded goods	3,772.62	3,533.81
Other operating revenue	1,353.89	855.21
Total	**4,30,387.32**	**3,82,809.40**

Other operating revenue comprising the following:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other operating revenue		
Sales of scrap	995.31	845.86

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of service	54.38	-
Export incentives earned	304.20	9.35
Total	**1,353.89**	**855.21**

Reconciliation of Gross Revenue with the Revenue from contracts with customers:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract Price	4,31,456.48	3,83,366.97
Less: Discounts & Rebates	1,373.36	566.92
Net Revenue recognised from contracts with customers	**4,30,083.12**	**3,82,800.05**

Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract liabilities		
Advance from customers	164.59	155.03
Total	**164.59**	**155.03**
Receivables		
Trade receivables	13,149.26	14,589.87
Less: Allowances for expected credit loss	41.73	84.54
Net receivables	**13,107.53**	**14,505.33**

Contract assets is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.

Significant changes in the contract liabilities balances during the year are as follows:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	155.03	136.04
Addition during the year	164.59	155.03
Revenue recognised during the year	(155.03)	(136.04)
Closing balance	**164.59**	**155.03**

34. OTHER INCOME

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on		
a) Financial assets held at amortised cost		
Fixed deposits with banks	491.04	191.92

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Others	497.09	352.14
b) Others		
Interest on Income Tax refund	-	11.33
Other non-operating Income		
Net gain on Fair Value changes at FVTPL on Investments	40.83	-
Net gain on sale of property, plant and equipment [Net of loss of ₹ 0.10 lakhs (previous year ₹ 2.60 lakhs)]	22.09	21.21
Gain on sale of mutual fund measured at fair value through profit and loss	337.01	97.52
Net gain on foreign currency transaction and translation	191.02	1,649.68
Income recognised on account of Government assistance * (Refer note 49(a))	133.71	124.87
Insurance claim received	1.10	16.37
Provision for Doubtful Debts written back	42.81	-
Miscellaneous Income	28.37	31.61
Sundry balances written back	28.64	26.41
Total	**1,813.71**	**2,523.06**

* Represents government assistance in the form of duty saved benefit availed under Export promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over useful life of such assets.

35. COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Material	3,32,512.98	2,70,592.92
Packing Material	15,196.87	13,726.67
Consumables	1,526.33	1,721.52
Total	**3,49,236.18**	**2,86,041.11**

36. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & WORK IN PROGRESS

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Closing stock		
- Finished goods	14,272.15	16,819.46
- Work-In-Progress	2,217.24	1,488.75
Total	**16,489.39**	**18,308.21**
Opening stock		
- Finished goods	16,819.46	13,806.34
- Work-In-Progress	1,488.75	787.83
Total	**18,308.21**	**14,594.17**
- Total (increase)/decrease	1,818.82	(3,714.04)

37. EMPLOYEE BENEFIT EXPENSES

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	8,465.01	7,809.67
Contribution to provident & other funds	367.36	330.03
Employee Stock Option expense (refer note 50)	18.38	51.45
Gratuity (refer note 48)	116.31	111.55
Staff welfare expenses	245.93	284.01
Total	**9,212.99**	**8,586.71**

38. FINANCE COST

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
- on term loans (refer note 49(b))	1,250.71	1,049.58
- on working capital & others	111.45	264.50
- on Income Tax	-	156.46
- on GST demands *	2,035.81	-
- on lease liabilities (refer note 47)	18.70	21.35
- on defined benefit Plan (refer note 48)	54.20	39.62
Exchange difference regarded as an adjustment to borrowing Cost	1,346.24	639.24
Other Borrowing cost	1,121.25	1,429.35
Total	**5,938.36**	**3,600.10**

* Is in respect of provision in the matter of pre-import condition in view of Honourable Supreme Court judgement.

39. OTHER EXPENSES

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing Expenses		
Consumption of stores and spares	2,876.98	2,120.08
Power & Fuel	32,663.36	25,253.12
Total manufacturing Expenses (A)	**35,540.34**	**27,373.20**
Selling Expenses		
Market Development Expenses	113.68	57.76
Freight outward	730.59	1,465.32
Commission on sales	3,537.17	3,196.40
Total selling expenses (B)	**4,381.44**	**4,719.48**
Administration and other expenses		
Rent	201.70	376.70
Repair & Maintenance - Machinery	461.82	519.95
- Building	105.41	92.54
- Others	314.83	246.35

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Research & Development Expenses	117.44	60.63
Insurance	297.69	402.09
Rates & taxes	52.15	94.37
Auditors' remuneration (refer note 43)	28.21	27.22
Electricity & Water expenses	64.45	66.96
Printing & stationery	47.90	40.36
Postage, telephone & telegram	48.38	54.92
Travelling & conveyance	441.13	322.09
Vehicle running & maintenance	143.94	123.76
Legal & professional charges	350.03	305.60
Directors' sitting fees	9.80	10.90
Security services	4.02	4.20
Expenditure towards Corporate Social Responsibility (refer note 42)	556.68	440.29
General expenses	78.20	111.25
Donation & charity (Other than Political Parties)	2.55	2.14
Advertisement & publicity	7.20	6.59
Membership & subscription	54.66	20.44
Provision for Doubtful Debts	-	5.00
Total administrative & other expenses (C)	**3,388.19**	**3,334.35**
Total (A + B + C)	**43,309.97**	**35,427.03**

40. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022*
Net profit/(loss) for calculation of basic/diluted EPS (₹ In lakhs)	8,989.56	30,272.71
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic EPS	44,42,81,414	44,75,36,476
Effect of Dilution:		
Effect of dilutive issue of stock option (ESOS)	7,54,998	16,41,372
Weighted average number of shares in calculating Diluted EPS	44,50,36,412	44,91,77,848
Nominal Value of each share	1	1
Earning per share:		
Basic (₹)	2.02	6.76
Diluted (₹)	2.02	6.74

* The shareholders of the Company through postal ballot approved the sub-division of One equity share of face value of ₹ 2 per share into 2 equity shares of face value of ₹ 1 per share. Consequently, in accordance with Indian Accounting Standard (Ind AS) 33 - "Earning per share" the basic and diluted earnings per share of the previous periods have been restated to give effect of the share split.

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)

i) Contingent liabilities

(₹ In lakhs)

	Particulars		As at March 31, 2023	As at March 31, 2022
A	**Claims against the Company not acknowledged as debts**			
	a)	Excise/Custom duty/Goods and Service tax (GST) (Mainly relating to reversal of Cenvat credit)	594.00	574.75
	b)	Amount of duty saved on import of plant & machinery under EPCG scheme on pending export obligations	1,866.85	324.27
	c)	Other Claims against the Company not acknowledged as debts	434.89	434.89
	d)	Income Tax Demand	7,328.22	4,445.20
B	**Guarantees**			
	a)	Letters of Credits	17,248.54	11,171.50
	b)	Unexpired Bank Guarantees*	5,352.05	8,683.67
C	**Other money for which the Company is contingently liable**		-	-
D	1	The Company has filed writ petition in Gujrat High Court at Ahmedabad on March 17, 2022 against the demand raised by Asst. Commissioner, Bharuch for ₹ 2,340.87 lakhs in respect of ITC on services in the case of inverted duty refunds granted for the period May 2018 to January 2021. Hon'ble High Court has stayed the demand. The Company is entitled to Input Tax credit of alleged excess refund even if the case is decided against the Company. Thus, there would not be any financial impact of the same. However, the Company may have to pay interest which is presently not ascertainable.		
	2	DGGI Surat Zonal Unit has issued Show Cause Notice dated January 16, 2023 raising a demand of ₹ 815.81 lakhs towards IGST amount on deemed supply of services by corporate office of the Company to other distinct persons i.e., manufacturing plants of the Company in other states on account of alleged violation of Section 74(1) of CGST Act, 2017 read with Section 20 of IGST Act, 2017 and Rules made thereunder. The Company has filed reply to the Show Cause Notice on April 03, 2023. 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. However, the Company may be liable to pay interest if any which is presently not ascertainable.		
	3	Hon'ble Gujarat High Court vide its order dated February 18, 2022 had quashed and set aside the order dated July 19, 2021 passed by Joint Commissioner CGST & Central Excise raising a demand for alleged excess GST refunds of ₹ 8,537.07 lakhs, with the direction for reassessment. On reassessment excess refund of ₹ 2,301.11 lakhs has been determined. The Company is in appeal against the reassessment orders. The Company is entitled to Input Tax credit of alleged excess refund. Thus, there would not be any financial impact of the same. The Company may have to pay interest which is presently not ascertainable.		

* Guarantees issued by banks 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 management and Company's tax advisors believes that there are fair chances of decisions in its favour (in respect of the items listed in A(a) to A(d) & D above). Hence, no provision is considered necessary against the same.

ii) Capital & other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, Plant and equipment	1,524.35	7,132.92

b) Other commitments:

Export obligation of ₹ 18,367.18 lakhs (previous year ₹ 1,459.23 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.

42. AS PER SECTION 135 OF THE COMPANIES ACT, 2013, A COMPANY, MEETING THE APPLICABILITY THRESHOLD, NEEDS TO SPEND AT LEAST 2% OF ITS AVERAGE NET PROFIT FOR THE IMMEDIATELY PRECEDING THREE FINANCIAL YEARS ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES.

Disclosure in respect of CSR expenditure is as follows:

(₹ In lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Gross amount required to be spent by the Company during the year	550.56	329.33
	Income earned on FD made from unspent Escrow account (net of Tax expenses)	6.12	-
	Total Gross amount required to be spent by the Company during the year	556.68	329.33
b)	Amount approved by the board to be spent during the year	556.68	329.33
c)	Amount spent during the year on the following:		
	1 Construction/acquisition of asset	-	-
	2 Spent on going project	145.87	-
	3 On purposes other than 1 & 2 above	140.31	217.35
d)	Shortfall at the end of the year	270.50	111.98
e)	Total of previous year shortfall	-	110.96
f)	Reason for Shortfall	Pertains to Ongoing project	Pertains to Ongoing project
g)	Nature of CSR Activities	Direct expenditure on rural development, promoting healthcare, education, women empowerment etc and Contribution to Charitable Trusts.	
h)	Details of related party transactions in relation to CSR expenditure as per Indian Accounting Standard		
	Contribution to Lala Govindramjee charitable society	374.44	Nil
i)	Whether a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year.	NA	NA

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)

(₹ In lakhs)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's Bank A/c	From separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
111.98	110.96	416.37	145.87	222.94	270.50	-

In case of S. 135(5) (Other than Ongoing Project)

(₹ In lakhs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	140.31	140.31	-

43. STATUTORY AUDITOR'S REMUNERATION

(Net of GST)

(₹ In lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditors			
a)	Audit fees (including fees for limited review)	22.50	21.00
b)	Tax audit fees	4.50	4.00
In other capacity			
c)	Other services (certification charges) *	0.48	1.35
d)	Reimbursement of Expenses	0.83	0.87
Total		**28.31**	**27.22**

* Includes ₹ 0.10 lakhs (previous year Nil) accounted under Share issue & buyback expenses

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

(₹ In lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
i)	The principal amount & the interest due thereon remaining unpaid at the end of the year		
	Principal Amount	1,379.85	949.75
	Interest Due thereon	-	-
ii)	Payments made to suppliers beyond the appointed day during the year		
	Principal Amount	123.99	305.47
	Interest Due thereon	1.33	2.71
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the Company. In cases of confirmation from vendors, interest for delayed payments has not been provided amounting to ₹ 1.33 lakhs (Previous Year ₹ 2.71 lakhs).

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.

Information about reportable segment

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
External revenue in the above reportable business segment	4,30,387.32	3,82,809.40

Information about geographical areas

a. Revenue from Contracts with Customers disaggregated based on geography

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India	4,21,051.40	3,47,846.95
Outside India	9,335.92	34,962.45
Total	**4,30,387.32**	**3,82,809.40**

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India	1,35,196.49	1,30,296.16
Outside India	-	-
Total	**1,35,196.49**	**1,30,296.16**

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:

a) Key managerial personnel:

i) Shri Madhu Sudhan Bhageria	(Chairman and Managing Director)
ii) Shri Purrshottam Bhaggeria	(Joint Managing Director)
iii) Shri Madhav Bhageria	(Joint Managing Director) & (Chief Financial Officer)
iv) Shri Ashok Chauhan	(Whole-Time Director)
v) Shri Brij Behari Tandon	(Independent - Non Executive Director) (Cessation w.e.f May 27, 2022)
vi) Shri Swarup Chandra Parija	(Independent - Non Executive Director)
vii) Shri Suraj Parkash Setia	(Independent - Non Executive Director)
viii) Smt. Pallavi Joshi Bakhru	(Independent - Non Executive Director)
ix) Rajender Mohan Malla	(Independent - Non Executive Director) (Appointed on July 27, 2022)
x) Shri Raman Kumar Jha	(Company Secretary)

b) Relative of key managerial personnel:

i) Smt. Satya Bhama Bhageria	(Mother of related party mentioned at a(i), (ii) & (iii) above).
ii) Smt. Anu Bhageria	(Wife of related party mentioned at a(i) above).
iii) Smt. Shefali Bhageria	(Wife of related party mentioned at a(ii) above).
iv) Smt. Gunjan Bhageria	(Wife of related party mentioned at a(iii) above).
v) Ms. Vrinda Bhageria	(Daughter of related party mentioned at a(i) above).
vi) Mr. Yaduraj Bhageria	(Son of related party mentioned at a(ii) above).
vii) Mr. Vedansh Bhageria	(Son of related party mentioned at a(iii) above).
viii) Ms. Stuti Bhageria	(Daughter of related party mentioned at a(ii) above).
ix) Mr. Gopal Jha	(Brother of related party mentioned at a(x) above).
x) Ms. Hemlata Agrawal	(Sister of related party mentioned at a(i), (ii) & (iii) above).
xi) Ms. Rama Sutwala	(Sister of related party mentioned at a(i), (ii) & (iii) above).

c) **Enterprises owned or significantly influenced by key managerial personnel:**

i) Purrshottam Bhaggeria Family Trust
ii) Nouvelle Securities Pvt Ltd
iii) SMC Yarns Pvt Ltd
iv) Vrinda Farms Pvt. Ltd.
v) Maan Softech Private Limited
vi) Azimuth Investments Limited
vii) Janus Infrastructure Projects Private Limited
viii) Animate Infrastructure Private Limited
ix) Hill Estate Pvt. Ltd.
x) Fargo Estates Pvt Ltd.
xi) Fabiola Farms & dairy products Pvt Ltd.
xii) Sparsh Properties Private Limited
xiii) Lala Govindramjee Charitable society

(ii) Transactions with related parties during the year:

(₹ In lakhs)

Nature of Transactions/Particulars	Nature of Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent paid			
Vrinda Bhageria	Relative of Key Management Personnel	20.00	18.00
Vedansh Bhageria		14.00	12.00
Yaduraj Bhageria		14.00	12.00
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	19.60	24.00
Maan Softech Private Limited		15.40	21.00
Purrshottam Bhaggeria Family Trust		20.40	25.20
Animate Infrastructure Private Limited		-	8.40
SMC Yarns Pvt Ltd		19.80	18.00
Sparsh Properties Private Limited		2.00	-
Security service and Maintenance paid			
Hill Estate (P) Ltd.	Enterprises owned or significantly influenced by Key Managerial Personnel	6.80	6.89
Animate Infrastructure Private Limited		-	1.43
Security Deposit Refund Received			
Animate Infrastructure Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	-	6.00
Vrinda Farms Private Limited		2.10	-
Maan Softech Private Limited		3.00	-
Purrshottam Bhaggeria Family Trust		1.50	-
Security Deposit Paid			
Sparsh Properties Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	1.50	-

(₹ In lakhs)

Nature of Transactions/Particulars		Nature of Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Share Application Money received (against exercise price of ESOP)				
Ashok Chauhan		Key Managerial Personnel	18.93	-
Raman Kumar Jha		Key Managerial Personnel	1.80	3.61
Money received against Tax on perquisite value of ESOP as on the date of exercise				
Ashok Chauhan		Key Managerial Personnel	14.75	8.92
Raman Kumar Jha		Key Managerial Personnel	-	1.80
Allotment of Equity Share on preferential basis				
Vrinda Bhageria		Relative of Key Management Personnel	-	65.74
Shefali Bhageria		Relative of Key Management Personnel	-	66.22
Gunjan Bhageria		Relative of Key Management Personnel	-	163.14
Azimuth Investments Limited		Enterprises owned or significantly influenced by Key Managerial Personnel	-	1,235.87
Nouvelle Securities Pvt Ltd		Enterprises owned or significantly influenced by Key Managerial Personnel	-	1,129.03
Inter-Corporate Deposit's (ICD's)				
Nouvelle Securities Pvt Ltd	Taken	Enterprises owned or significantly influenced by Key Managerial Personnel	1,100.00	-
	Repaid		1,100.00	-
	Interest		13.59	-
Azimuth Investments Limited	Taken		600.00	-
	Repaid		600.00	-
	Interest		7.05	-
Janus Infrastructure Projects Private Limited	Taken		300.00	250.00
	Repaid		300.00	250.00
	Interest		3.53	7.40
Contribution towards Corporate Social Responsibility (CSR)				
Lala Govindramjee charitable society		Enterprises owned or significantly influenced by Key Managerial Personnel	374.44	-
Director Sitting Fees				
Brij Behari Tandon		Key Management Personnel	-	1.35
Swarup Chandra Parija		Key Management Personnel	2.60	3.05
Suraj Parkash Setia		Key Management Personnel	2.60	3.05
Pallavi Joshi Bakhru		Key Management Personnel	3.40	3.45
Rajender Mohan Malla		Key Management Personnel	1.20	-
Dividend Paid				
Madhu Sudhan Bhageria		Key Management Personnel	37.90	77.25
Purrshottam Bhaggeria		Key Management Personnel	42.44	86.95
Madhav Bhageria		Key Management Personnel	43.08	87.70
Ashok Chauhan		Key Management Personnel	0.62	1.00
Raman Kumar Jha		Key Management Personnel	0.04	0.13

(₹ In lakhs)

Nature of Transactions/Particulars	Nature of Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Azimuth Investments Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	36.42	69.40
Janus Infrastructure Projects Private Limited		27.36	56.08
Nouvelle Securities Pvt Ltd		24.79	45.67
Fargo Estates Pvt Ltd.		16.00	32.80
SMC Yarns Pvt Ltd		2.00	4.09
Fabiola Farms & dairy products Pvt Ltd.		0.46	0.93
Anu Bhageria	Relative of Key Management Personnel	11.36	23.28
Vrinda Bhageria		10.87	22.00
Gunjan Bhageria		9.53	18.81
Shefali Bhageria		8.60	17.34
Vedansh Bhageria		7.61	15.60
Yaduraj Bhageria		4.83	9.90
Stuti Bhageria		4.06	8.32
Hemlata Agrawal		0.21	0.44
Rama Sutwala		0.07	0.13
Buyback of Shares			
Madhu Sudhan Bhageria	Key Management Personnel	508.10	-
Purrshottam Bhaggeria		720.52	-
Madhav Bhageria		540.47	-
Ashok Chauhan		5.78	-
Raman Kumar Jha		0.48	-
Azimuth Investments Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	616.27	-
Janus Infrastructure Projects Private Limited		473.96	-
Nouvelle Securities Pvt Ltd		296.06	-
Fargo Estates Pvt Ltd.		277.19	-
SMC Yarns Pvt Ltd		34.56	-
Fabiola Farms & dairy products Pvt Ltd.		7.89	-
Anu Bhageria	Relative of Key Management Personnel	196.70	-
Vrinda Bhageria		187.51	-
Gunjan Bhageria		157.57	-
Shefali Bhageria		148.25	-
Vedansh Bhageria		131.83	-
Yaduraj Bhageria		83.66	-
Stuti Bhageria		70.31	-
Hemlata Agrawal		3.72	-
Rama Sutwala		0.77	-
Managerial Remuneration			
Madhu Sudhan Bhageria	Key Management Personnel		
- Short-term employee benefits		102.10	116.24
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		1.97	6.39
- Termination benefits^		-	-

(₹ In lakhs)

Nature of Transactions/Particulars	Nature of Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
- Commission		49.95	155.54
Purrshottam Bhaggeria			
- Short-term employee benefits		91.30	77.63
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		1.40	5.73
- Termination benefits^		-	-
- Commission		49.95	155.54
Madhav Bhageria			
- Short-term employee benefits		89.73	75.65
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		1.40	5.71
- Termination benefits^		-	0.92
- Commission	Key Management Personnel	49.95	155.54
Ashok Chauhan			
- Short-term employee benefits		44.40	38.15
- Post-employment benefits		-	-
- Other long-term benefits*		0.31	1.63
- Termination benefits^		1.97	1.52
- Share-based payment		1.73	4.49
Raman Kumar Jha			
- Short-term employee benefits		14.32	11.49
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		0.20	(0.02)
- Termination benefits^		0.30	0.31
- Share-based payment		0.49	1.28
Vedansh Bhageria			
- Short-term employee benefits		16.53	12.14
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		0.07	0.33
- Termination benefits^		0.56	0.40
Stuti Bhageria			
- Short-term employee benefits		24.92	18.80
- Post-employment benefits	Relative of Key Management Personnel	0.22	0.22
- Other long-term benefits*		0.83	0.42
- Termination benefits^		0.55	0.34
Gopal Jha			
- Short-term employee benefits		3.75	3.27
- Post-employment benefits		0.22	0.22
- Other long-term benefits*		(0.18)	(0.05)
- Termination benefits^		0.25	0.15

* Other long term benefits (earned leaves) are taken as per the Actuarial Valuation report

^ Termination benefits (gratuity) are taken as per the Actuarial Valuation subject to the maximum limit of ₹ 20 lakhs under the Gratuity Act 1972.

(₹ In lakhs)

Nature of Transactions/Particulars	Nature of Relationship	As at March 31, 2023	As at March 31, 2022
Balance outstanding			
Managerial Remuneration (net of TDS)			
Madhu Sudhan Bhageria	Key Management Personnel	27.55	93.92
Purrshottam Bhaggeria		28.35	94.12
Madhav Bhageria		27.85	94.89
Other long-term benefits			
Madhu Sudhan Bhageria	Key Management Personnel	9.57	7.60
Purrshottam Bhaggeria		8.20	6.80
Madhav Bhageria		8.20	6.80
Ashok Chauhan		2.28	1.97
Raman Kumar Jha		1.51	1.31
Vedansh Bhageria	Relative of Key Management Personnel	1.37	1.30
Stuti Bhageria		2.13	1.30
Gopal Jha		0.04	0.22
Termination benefits			
Madhu Sudhan Bhageria	Key Management Personnel	20.00	20.00
Purrshottam Bhaggeria		20.00	20.00
Madhav Bhageria		20.00	20.00
Ashok Chauhan		9.35	7.38
Raman Kumar Jha		2.31	2.01
Vedansh Bhageria	Relative of Key Management Personnel	1.33	0.77
Stuti Bhageria		1.22	0.67
Gopal Jha		0.65	0.40
Security deposit Receivable (Rent)			
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	1.50	3.60
Maan Softech Private Limited		-	3.00
Purrshottam Bhaggeria Family Trust		1.50	3.00
Sparsh Properties Private Limited		1.50	-
Contribution towards Corporate Social Responsibility (CSR)			
Lala Govindramjee charitable society	Enterprises owned or significantly influenced by Key Managerial Personnel	6.28	-
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 March 15, 2021	Enterprises owned or significantly influenced by Key Managerial Personnel	305.00	305.00
Madhu Sudhan Bhageria #	Key Management Personnel	1,485.41	1,263.75
Purrshottam Bhaggeria #		1,802.45	1,461.18
Madhav Bhageria #		1,856.20	1,684.61

Net worth as on March 31, 2022 (previous year as on March 31, 2021)

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

S.No	Key Management Personnel	Grant Date	Exercise Price	No. of options Outstanding as at March 31, 2023	No. of options Outstanding as at March 31, 2022
1	Ashok Chauhan	May 07, 2018	₹ 14.425	43,750	1,75,000
2	Raman Kumar Jha	May 07, 2018	₹ 14.425	12,500	25,000

47. LEASES: COMPANY AS A LESSEE

The weighted average incremental borrowing rate applied to lease liability is 10%.

a) Lease Rent

The Company has various operating leases under cancellable operating lease arrangements for accommodation for Employees and other assets which are renewable by mutual consent on mutually agreeable terms and range between 11 months to 10 years. The Company has given interest free refundable security deposit in accordance with the agreed terms. There are no restrictions imposed by these arrangements. There are no sub leases. The Company has not entered into any non cancellable lease.

i) The following is the movement in lease liabilities during the years ended March 31, 2023 and March 31, 2022 respectively:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Lease liabilities	186.97	213.50
Add: Additions	-	-
Add: Finance cost accrued during the period	18.70	21.35
Less: Deletions	-	-
Less: Payment of lease liabilities	53.27	47.88
Closing Lease liabilities	**152.40**	**186.97**
Lease liabilities included in the statement of financial position		
Current Lease Liabilities	39.82	34.57
Non-Current Lease Liabilities	112.58	152.40

ii) Maturity analysis of lease liabilities:

(₹ In lakhs)

Maturity analysis – Contractual undiscounted cash flows	For the year ended March 31, 2023	For the year ended March 31, 2022
Not later than one year	55.06	53.27
Later than one year and not later than five years	132.15	187.21
More than five years	-	-
Total undiscounted lease liabilities	**187.21**	**240.48**

iii) Amounts recognised in profit or loss:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	18.70	21.35
Expenses relating to short-term leases (rent)	201.70	376.70
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, 2023	For the year ended March 31, 2022
Included in contribution to Provident and Other Funds (Refer Note 37)		
Employer's contribution to Provident Fund/Employees' Pension Fund	367.09	329.74
Included in contribution to Provident and Other Funds (Refer Note 37)		
Contribution paid in respect of Employees' State Insurance Scheme	0.27	0.29

B. Defined Benefit Plan

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

(i) Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

(₹ In lakhs)

Particulars	Defined Benefit Plan- Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of obligation	974.86	888.60
Fair value of plan assets	-	-
(Asset)/Liability recognised in the Balance Sheet	**974.86**	**888.60**
Net liability-current (Refer Note 32)	350.16	282.04
Net liability-non-current (Refer Note 24)	624.70	606.56
	974.86	**888.60**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

(₹ In lakhs)

Particulars	Plan Assets	Plan Obligation	Total
As at April 01, 2021	**-**	**733.78**	**733.78**
Current service cost	-	111.55	111.55
Past service cost	-	-	-
Interest cost	-	39.62	39.62
Interest income	-	-	-
Return on plan assets excluding interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(21.06)	(21.06)
Actuarial (gain)/loss arising from experience adjustments	-	61.55	61.55
Employer contributions	-	-	-
Employee contributions	-	-	-

(₹ In lakhs)

Particulars	Plan Assets	Plan Obligation	Total
Assets acquired/(settled)	-	-	-
Benefit payments	-	(36.84)	(36.84)
As at March 31, 2022	**-**	**888.60**	**888.60**
As at April 01, 2022	**-**	**888.60**	**888.60**
Current service cost	-	116.31	116.31
Past service cost	-	-	-
Interest cost	-	54.20	54.20
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	-	(33.91)	(33.91)
Actuarial (gain)/loss arising from experience adjustments	-	2.03	2.03
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/(settled)	-	-	-
Benefit payments	-	(52.37)	(52.37)
As at March 31, 2023	**-**	**974.86**	**974.86**

(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, 2023	For the year ended March 31, 2022
Expenses recognised in the Statement of Profit and Loss for the year		
Employee Benefit Expenses:		
Current service cost	116.31	111.55
Past service cost	-	-
Finance costs:		
Interest cost	54.20	39.62
Interest income	-	-
Net impact on profit (before tax)	**170.51**	**151.17**
Recognised in other comprehensive income for the year		
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(33.91)	(21.06)
Actuarial (gain)/loss arising from experience adjustments	2.03	61.55
Return (gain)/loss on plan assets excluding interest income	-	-
Net impact on other comprehensive income (before tax)	**(31.88)**	**40.49**

(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, 2023	As at March 31, 2022
Financial/Economic Assumptions		
Discount rate (per annum)	7.20%	6.10%
Salary escalation rate (per annum)	7.00%	7.00%
Demographic Assumptions		
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) ULT.	Indian Assured Lives Mortality (2012-14) ULT.
Withdrawal Rates		
Ages (years)		
All ages	20.00%	20.00%

Notes:

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government bonds as at the Balance Sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion, business plan, HR policy 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, 2023		As at March 31, 2022	
	Change in assumption	Change in Defined Benefit Obligation (₹ In lakhs)	Change in assumption	Change in Defined Benefit Obligation (₹ In lakhs)
Discount rate (per annum)				
- Increase	1.00%	(28.42)	1.00%	(28.11)
- Decrease	1.00%	30.70	1.00%	30.46
Salary escalation rate (per annum)				
- Increase	1.00%	30.14	1.00%	29.89
- Decrease	1.00%	(28.68)	1.00%	(28.14)

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, 2023	As at March 31, 2022
Weighted average duration of the defined benefit obligation	**5 years**	**5 years**
Expected benefit payments within next-		
I year	362.54	290.51
II year	159.90	145.41
III year	121.47	125.24
IV year	106.31	96.60
V year	101.49	85.53
thereafter	409.19	380.89

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, 2023	For the year ended March 31, 2022
Opening Balance	2,475.35	2,600.22
Add: Grant received during the year	456.91	-
Less: Grant released to Statement of Profit & Loss	133.71	124.87
Closing Balance	**2,798.55**	**2,475.35**
Current (refer note 31)	142.27	124.87
Non-Current (refer note 26)	2,656.28	2,350.48

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 ₹ Nil (previous year ₹ 231.84 lakhs) recognised and has been deducted from the related interest expense.

ii) Grant on account of interest subsidy under Gujarat Textile Policy - 2012 amounting to ₹ Nil {previous year ₹ 55.65 lakhs in accordance with the accounting policy (refer note 2.14)} has been recognised and deducted from the related interest expense.

50. SHARE BASED PAYMENTS

(I) Employee Stock Option Scheme (ESOS) - TRANCHE 2

(Refer Note No 2.13 of accounting policy)

The Nomination and Remuneration Committee of the Company had at its meeting held on May 07, 2018, approved grant of 4,30,000 (face value of ₹ 10/- per share) [subsequently sub-divided into 21,50,000 shares of face value of ₹ 2/- per share, further sub-divided into 43,00,000 shares of face value of ₹ 1/- per share] stock options ("options") to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015), at an exercise price of ₹ 211 per option (being the closing price at BSE on May 04, 2018 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The Nomination and Remuneration Committee of the Company had at its meeting held on August 28, 2020 approved modification/re-pricing of outstanding 19,95,000 Stock Options (of face value of ₹ 2/- each) granted in 2nd Tranche under Filatex Employee Stock Option Scheme, 2015 (hereinafter referred to as "Filatex ESOS, 2015" or "the Scheme"), exercisable into not more than 19,95,000 fully paid-up equity shares of face value of ₹ 2/- (Rupees Two) each from Exercise price of ₹ 42.20 per option to ₹ 28.85 per option.

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

A. Vesting period

On completion of 3 Years from the date of grant of options for 50%

On completion of 4 Years from the date of grant of options for 25%

On completion of 5 Years from the date of grant of options for remaining 25%

B. Exercise period

The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

The details of the ESOS 2015 plan are:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of Options	Weighted average Exercise Price (₹)	Number of Options	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	20,04,500	14.43	37,30,000	14.43
Granted during the year	-	-	-	-
Exercised during the year	9,80,750	14.43	16,85,500	14.43
Forfeited during the year	-	-	-	-
Lapsed during the year	94,500	14.43	40,000	14.43
Outstanding at the end of the year	9,29,250	14.43	20,04,500	14.43
Exercisable at the end of the year	83,000	14.43	1,79,500	14.43
Weighted average fair value of options on the date of grant per share		₹ 5.22		₹ 5.22
Weighted average incremental fair value per share as on the date of Modification of option		₹ 1.76		₹ 1.76
The number of shares granted has face value of		₹ 1.00 each		₹ 1.00 each
The weighted average contractual life of the options outstanding is		0.05 years		0.60 years
The weighted average share price during the period on exercise of options		₹ 56.12		₹ 50.15

* Due to share split the number equity share has been restated from ₹ 2 per equity share to ₹ 1 per equity share.

The following table list the inputs to the models used for ESOS plan as on date of modification for incremental fair value measurement for the year ended March 31, 2023 and March 31, 2022 respectively:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend yield (%)	0.00%	0.00%
Expected volatility (%)	61 to 67	61 to 67
Risk–free interest rate (%)	5.859%	5.859%
Weighted Average Share Price (₹)	14.425	14.425

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Exercise Price (₹)	14.425	14.425
Expected remaining life of options granted in year	1	2
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 ₹ 18.38 lakhs (Previous year ₹ 51.45 lakhs) in the Statement of Profit & Loss.

51. PARTICULARS OF INVESTMENT MADE DURING THE YEAR AS MANDATED BY THE PROVISIONS OF THE SECTION 186(4) OF THE COMPANIES ACT, 2013:

a) The Company has not given any loan or provided any Guarantee during the Financial year March 31, 2023 under Section 186(4) of the Companies Act, 2013

b) Particulars of Investments Made:

(₹ In lakhs)

S.No	Name of the Investee	Investment During the Year		Outstanding Balance	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	FPEL SUNRISE PVT LTD	518.00	-	537.73	-
2	FP CRYSTA ENERGY PVT LTD	518.00	-	538.92	-

The investment made in hybrid power project for captive consumption of power generated from the said plant.

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1. Financial assets at					
a. Fair Value through profit & loss					
Unquoted Equity Investments	Level 3	1,076.65	-	1,076.65	-
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	9.67	-	9.67	-
Investment in liquid Mutual Funds	Level 1	30.02	-	30.02	-
b. Fair value through other comprehensive income		-	-	-	-
c. Amortised cost					
Trade receivables	Level 2	13,107.53	14,505.33	13,107.53	14,505.33
Cash & cash equivalents	Level 1	5,203.68	90.00	5,203.68	90.00

(₹ In lakhs)

Particulars	Levels	Carrying values		Fair values	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Bank balances other than Cash & cash equivalents	Level 1	4,372.59	2,793.45	4,372.59	2,793.45
Loans	Level 2	60.39	47.22	60.39	47.22
Other financial assets	Level 2	278.23	2,276.38	278.23	2,276.38
2. Financial liabilities at					
a. Fair Value through profit & loss					
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	-	64.84	-	64.84
b. Fair value through other comprehensive income		-	-	-	-
c. Amortised cost					
Borrowings - floating rate	Level 2	30,198.58	35,648.76	30,198.58	35,648.76
Lease Liabilities	Level 2	152.40	186.97	152.40	186.97
Trade payables	Level 2	40,726.34	31,755.09	40,726.34	31,755.09
Other financial liabilities	Level 2	7,959.60	6,875.13	7,959.60	6,875.13

Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2022. The following methods/assumptions were used to estimate the fair values:

1. The carrying value of Cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
2. The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.
3. **Derivative financial instruments:** The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date using valuation techniques with inputs that are directly or indirectly observable in the marketplace. The derivatives are entered into with the banks/counterparties with investment grade credit ratings.
4. Description of significant unobservable inputs to valuation (Level 3):

   The following shows the valuation techniques and inputs used for Non-current financial instruments that are not carried at fair value:

   a. **Security deposits given against lease and lease liabilities:** Discounted cash flow method using appropriate discounting rate.

   b. **Non-current Financial assets/liabilities other than above:** Expected Cash Flow for the financial instruments
5. **Unquoted equity instruments:** where most recent information to measure fair value is insufficient and where the fair value of these investments cannot be reliably measured, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.
6. There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year and no transfer into and out of Level 3 fair value measurements.

II. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

The Company's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts. The Company also holds security deposits for outstanding trade receivables which mitigate the credit risk to some extent.

An impairment analysis is performed at each reporting date on an individual basis for major customers and follows simplified approach for recognition of impairment loss allowance. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

In respect of financial guarantees provided by the Company to banks & financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

The movement in the expected credit loss allowance during the year is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	84.54	79.54
Impairment loss recognised/(reversed)	(42.81)	5.00
Bad Debts recognised during the year	-	-
Amount written off as Bad debts during the year	-	-
Closing Balance	**41.73**	**84.54**

Also refer note 12

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	up to 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at March 31, 2023						
Borrowings and interest thereon *	30,198.58	7,162.37	13,636.89	12,261.87	2,952.73	36,013.86

(₹ In lakhs)

Particulars	Carrying amount	up to 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
Lease Liabilities	152.40	55.06	116.32	15.83	-	187.21
Trade payables	40,726.34	40,726.34	-	-	-	40,726.34
Other financial liabilities	7,959.60	7,659.24	300.36	-	-	7,959.60
Total Non-Derivative Liabilities	**79,036.92**	**55,603.01**	**14,053.57**	**12,277.70**	**2,952.73**	**84,887.01**
Derivatives						
Other Financial Liabilities	-	-	-	-	-	-
Total Derivative Liabilities	**-**	**-**	**-**	**-**	**-**	**-**

(₹ In lakhs)

Particulars	Carrying amount	up to 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at March 31, 2022						
Borrowings and interest thereon *	35,648.76	7,183.06	17,224.83	10,885.34	6,782.92	42,076.15
Lease Liabilities	186.97	53.27	110.12	77.09	-	240.48
Trade payables	31,755.09	31,755.09	-	-	-	31,755.09
Other financial liabilities	6,875.13	6,619.55	255.58	-	-	6,875.13
Total Non-Derivative Liabilities	**74,465.95**	**45,610.97**	**17,590.53**	**10,962.43**	**6,782.92**	**80,946.85**
Derivatives						
Other Financial Liabilities	64.84	64.84	-	-	-	64.84
Total Derivative Liabilities	**64.84**	**64.84**	**-**	**-**	**-**	**64.84**

* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company, if any. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period. Interest accrued has been included in other financial liabilities.

Financing facilities:

The Company has access to financing facilities as described in below Note. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured bank loan facilities with various maturity dates through to March 31, 2023 and which may be extended by mutual agreement:		
- amount used	29,511.17	35,286.18
- amount unused	-	4,617.35
	29,511.17	**39,903.53**
Secured bank overdraft facility:		
- amount used	687.41	362.58
- amount unused	19,312.59	19,637.42
	20,000.00	**20,000.00**

c) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments, trade payables, trade receivables, derivative financial instruments and other financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities.

i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's foreign exchange risk arises from its foreign currency borrowings and trade receivables and trade payables denominated in foreign currencies. The results of the Company's operations can be affected as the rupee appreciates/ depreciates against these currencies. The Company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures The Company has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed below):

Foreign Currency Liabilities	**As at March 31, 2023**		**As at March 31, 2022**	
	Amount in Foreign currency	**Indian Rupees (₹ In lakhs)**	**Amount in Foreign currency**	**Indian Rupees (₹ In lakhs)**
Currency				
Borrowings				
Euro	2,38,08,026	21,333.80	2,28,31,432	19,329.07
Interest payable				
USD	-	-	8,892	6.74
Euro	1,30,275	116.74	22,431	18.99
Trade Payables & Other Liabilities				
JPY	1,73,72,340	10,736.11	46,45,199	2,890.71
USD	15,18,281	1,248.28	65,44,041	4,960.85
Euro	1,76,605	158.25	-	-

Foreign Currency Assets	**As at March 31, 2023**		**As at March 31, 2022**	
	Amount in Foreign currency	**Indian Rupees (₹ In lakhs)**	**Amount in Foreign currency**	**Indian Rupees (₹ In lakhs)**
Currency				
Trade Receivables				
USD	11,98,167	985.10	31,77,166	2,408.52
Other Receivables				
USD	16,49,816	1,356.43	-	-
GPB	-	-	5,617	5.59
EURO	8,290	7.43	5,41,819	458.70
CHF	7,710	6.93	28,460	23.41
Balance in EEFC Account				
USD	-	-	94,582	71.70

a. Foreign currency sensitivity analysis:

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD, Euro, JPY, CHF and GBP with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ In lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Effect on Profit before tax Gain/(Loss)		Effect on Profit before tax Gain/(Loss)	
5% movement	Decrease in exchange rate	Increase in exchange rate	Decrease in exchange rate	Increase in exchange rate
Liability/(Assets) On Foreign Currency Liability (net):				
JPY	536.81	(536.81)	144.54	(144.54)
USD	(54.66)	54.66	124.37	(124.37)
EURO	1,080.07	(1,080.07)	944.47	(944.47)
GBP	-	-	(0.28)	0.28
CHF	-	-	(1.17)	1.17

b. Derivative financial instruments:

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on inputs that is directly or indirectly observable in the marketplace.

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

Outstanding Contracts	Buy/sell	As at March 31, 2023			As at March 31, 2022		
Other Derivatives		Amount in Foreign currency	Nominal Value ₹ In lakhs	Fair Value ₹ In lakhs	Amount in Foreign currency	Nominal Value ₹ In lakhs	Fair Value ₹ In lakhs
Forward contracts							
in USD	Buy	2,68,19,523	22,251.61	22,050.18	2,12,03,869	16,001.93	16,074.04
in EURO	Buy	2,21,340	197.83	198.34	-	-	-

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's investments in term deposits (i.e., margin money) with banks are for short durations, and therefore do not expose The Company to significant interest rates risk.

a. Interest rate risk exposure

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

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate instruments:		
Borrowings	30,198.58	35,648.76

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, 2023	For the year ended March 31, 2022
Floating rate instruments:		
50 basis points increase	(150.99)	(178.24)
50 basis points decrease	150.99	178.24

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, 2023	As at March 31, 2022
Debt	30,198.58	35,648.76
Lease Liabilities	152.40	186.97
Cash and Cash equivalents	5,203.68	90.00
Net debt	**25,147.30**	**35,745.73**
Total Equity	1,09,901.79	1,08,545.84
Capital and net debt	1,35,049.09	1,44,291.57
Gearing Ratio (%)	**18.62%**	**24.77%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

IV. Changes in liabilities arising from financing activities as per Ind AS 7 - Statement of cash flows

The major changes in the Company's liabilities arising from financing activities are due to financing cash flows and accrual of financial liabilities. The Company did not acquire any liabilities arising from financing activities during business combinations effected in the current period or comparative period.

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

Reconciliation of Liabilities from financial activities for the year ended March 31, 2023:

(₹ In lakhs)

Particulars		April 01, 2022 (opening balance of current year)	Cash Flows	Non-cash changes		March 31, 2023 (closing balance of current year)
				Foreign exchange movement	Others	
i.	Current interest bearing loans and borrowings (including current maturities of long term borrowings)	5,280.34	(4,592.93)	-	4,651.19	5,338.60
ii.	Non-current interest-bearing loans and borrowings	30,368.42	(2,081.41)	1,224.16	(4,651.19)	24,859.98
iii.	Interest accrued on borrowings *	157.47	(1,314.61)	-	1,391.70	234.56
iv.	Lease Liabilities	186.97	(53.27)		18.70	152.40
Total liabilities from financing activities		**35,993.20**	**(8,042.22)**	**1,224.16**	**1,410.40**	**30,585.54**

* Represents Interest expenses including interest capitalised as per Ind AS 23 amounting ₹ 29.54 lakhs.

Reconciliation of Liabilities from financial activities for the year ended March 31, 2022:

(₹ In lakhs)

Particulars		April 01, 2021 (opening balance of current year)	Cash Flows	Non-cash changes		March 31, 2022 (closing balance of current year)
				Foreign exchange movement	Others	
i.	Current interest bearing loans and borrowings (including current maturities of long term borrowings)	5,009.37	(4,646.79)	-	4,917.76	5,280.34
ii.	Non-current interest-bearing loans and borrowings	53,599.78	(18,036.84)	(276.76)	(4,917.76)	30,368.42
iii.	Interest accrued on borrowings ^	213.68	(1,734.10)	-	1,677.89	157.47
iv.	Lease Liabilities	213.50	(47.88)		21.35	186.97
Total liabilities from financing activities		**59,036.33**	**(24,465.61)**	**(276.76)**	**1,699.24**	**35,993.20**

^ Represents Interest expenses including interest capitalised as per Ind AS 23 amounting ₹ 362.20 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. RATIO ANALYSIS AND ITS ELEMENTS

S. No	Ratio	Numerator	Denominator	UOM	As at March 31, 2023	As at March 31, 2022	% Change	Reason for Variance(if any)
1	Current Ratio	Current Assets = Total Current Assets	Current Liabilities = Total Current Liabilities	Times	1.27	1.59	-20.13%	
2	Debt Equity Ratio	Total Debt = Non-Current Borrowings + Current Borrowings	Shareholders Equity = Equity Share capital + Other Equity	Times	0.27	0.33	-18.18%	
3	Debt Service Coverage Ratio	Earnings available for Debt Service = Net profit after Taxes + Depreciation + Interest expense + exceptional Expense/(Income)	Debt Service = Interest payments + Principal Repayments within the year	Times	2.53	6.67	-62.07%	Lower profitability compared to the previous year
4	Return on Equity (ROE)	Net profits after Taxes	Average Shareholder's Equity (Share Capital + Other Equity)	%	8.23%	32.76%	-74.88%	Lower profitability compared to the previous year
5	Inventory Turnover Ratio	Sales = Revenue from Operations	Average Inventory	Times	10.97	12.15	-9.71%	
6	Debtors Turnover Ratio	Net Sales = Revenue from Operations	Average Accounts Receivables	Times	31.17	28.71	8.57%	
7	Trade Payables Turnover Ratio	Net Purchases = Closing Stock + Cost of Material consumed + Purchase of Stock in trade + Consumption of Stores and Spares - Opening Stock	Average Trade Payables	Times	9.96	10.14	-1.78%	
8	Net Capital Turnover Ratio	Net Sales = Revenue from Operations	Working Capital = Total Current Assets - Total Current Liabilities	Times	26.96	14.34	88.01%	There is increase in the top line due to which the capital turnover ratio improved.
9	Net Profit Ratio	Net Profit after Taxes	Net Sales = Revenue from Operations	%	2.09%	7.91%	-73.58%	Lower profitability compared to the previous year
10	Return on Capital Employed (ROCE)	Earning Before Interest and Taxes = Profit Before Taxes + Finance Cost	Capital Employed = Tangible Net worth + Total Debt + Deferred Tax Liability	%	11.76%	31.16%	-62.26%	Lower profitability compared to the previous year
11	Return on Investment	Income generated from invested funds	Average Invested funds	%	5.81%	4.02%	44.53%	Higher interest rates lead to higher return on liquid funds

54. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

1. Details of Benami property:

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

2. Transaction with Struck Off Companies:

The Company do not have any transaction with companies struck off.

3. Charges with Registrar of Companies:

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4. Details of crypto currency or virtual currency:

The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

5. Utilisation of borrowed funds and share premium:

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

7. Valuation of PPE, Intangible Assets and Investment property:

The Company has not revalued its property, plant & equipment (including Right Of Use Assets) or intangible assets or both during the current or previous year.

8. Loans/advances to specified persons:

There is no grant of loans/advances in the nature of loans repayable on demand.

9. Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

55. RESEARCH AND DEVELOPMENT

The revenue expenditure of ₹ 117.44 lakhs (Previous Year: ₹ 60.63 lakhs) and capital expenditure for acquisition/construction of assets of ₹ 279.15 lakhs (Previous Year: ₹ 359.69 lakhs) on Research & Development at Dahej plant are as detailed below.

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Revenue Expenditure		
Employee benefits expense	33.80	32.32
Professional fees	11.50	19.21
Material Consumed	38.35	5.80
Electricity and Water expenses	33.79	3.30
Total	**117.44**	**60.63**
(ii) Capital Expenditure		
on Plant & Machinery (refer note 3 & 3A)	224.07	333.57
on Building (refer note 3 & 3A)	-	1.62
on Intangible assets under development (refer note 5)	55.08	24.50
Total	**279.15**	**359.69**

The above figures includes the amounts for Research and Development (R&D) centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (Consonance with the DSIR guidelines for in-house R&D centre will be evaluated at the time of filling the return with DSIR).

56. CAPITALISATION OF EXPENDITURE

The Company has capitalised the following expenses of revenue nature to the cost of Property, Plant & Equipment (PPE) comprising POY Winders on the basis of ready for intended use. Consequently the expenses disclosed under the respective notes are net of amounts capitalised by the Company. The break-up of expenditure is as follows:

(₹ In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & Fuel	102.09	192.14
Sub total (A)	**102.09**	**192.14**
Payments and benefits to Employee		
Salaries & wages	71.06	114.55
Sub total (B)	**71.06**	**114.55**
Operating expenses:		
Insurance expenses	2.11	1.85
Legal and professional	-	27.15
General expenses	32.88	134.98
Sub total (C)	**34.99**	**163.98**
Finance costs		
Interest on term loan*	29.54	362.20
Bank Charges	21.58	11.89
Sub total (D)	**51.12**	**374.09**
Total amount (A)+(B)+(C)+(D)	**259.26**	**844.76**
Add: Opening balance	99.30	1,189.34
Less: Amount capitalised to Property, Plant & Equipment	358.56	1,934.80
Balance to be carried forward	**-**	**99.30**

* Interest comprises of

1. ₹ 29.54 lakhs (Previous year ₹ 257.47 lakhs) on specific borrowings taken for Plant & machinery.

2. ₹ Nil (Previous year ₹ 104.73 lakhs) on general borrowings taken for other qualifying assets @ 9% p.a

57. Exceptional items represents profit on sale of Land and Building amounting to ₹ 225.46 lakhs situated at Nani Tambadi, Valsad, Gujarat and loss on sale of chiller plant amounting to ₹ 61.37 lakhs during the year ended March 31, 2022.

58. 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.

Investment:

During the year the Company has invested more than 20% equity capital in the power SPV's namely FPEL Sunrise Private Limited and FP Crysta Energy Private Limited to qualify as a captive user.

As per the shareholding agreement, the Company shall not directly or indirectly take part in financial and operation policy decisions of the Power SPV's.

As per Ind AS 28, If an entity holds, directly or indirectly (eg through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

Based on the above facts, the presumption of significant influence/participating in financial and operating decision making is not valid even though it holds 20% or more of the voting rights of another entity as the shareholding by the Company is only by virtue of compliance with electricity regulations with no intent of influencing the operations of the power SPV's. In view of the above investments are not considered as investment in associates.

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 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.

59. 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 and on behalf of the Board of Directors of
Filatex India Limited

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

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

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

PURRSHOTTAM BHAGGERIA
Joint Managing Director
DIN: 00017938

SACHIN KUMAR
Partner
Membership No.: 503204

SUNIL NARWAL
Partner
Membership No.: 511190

MADHAV BHAGERIA
Joint Managing Director & CFO
DIN: 00021953

RAMAN KUMAR JHA
Company Secretary

Date: May 04, 2023

Corporate Information

BOARD OF DIRECTORS

Name	Designation	DIN
Mr. Madhu Sudhan Bhageria	Chairman & Managing Director	00021934
Mr. Purrshottam Bhaggeria	Joint Managing Director	00017938
Mr. Madhav Bhageria	Joint Managing Director & CFO	00021953
Mr. Ashok Chauhan	Executive Director	00253049
Mr. Swarup Chandra Parija	Independent Director	00363608
Mr. Suraj Parkash Setia	Independent Director	00255049
Mrs. Pallavi Joshi Bakhru	Independent Director	01526618
Mr. Rajender Mohan Malla	Independent Director	00136657

COMPANY SECRETARY

Mr. Raman Kumar Jha

BANKERS

Union Bank of India
Punjab National Bank
Bank of Baroda
IndusInd Bank
Yes Bank
AKA Ausfuhrkredit-Gesellschaft mbH
Landesbank Baden-Württemberg

AUDITORS

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   D-58, East of Kailash
   New Delhi - 110 025

2. R N Marwah & Co LLP
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   New Delhi - 110 001

CORPORATE OFFICE

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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

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