FlexiTuff
VENTURES

ANNUAL REPORT
2021-2022

INSIDE THIS REPORT

FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospect and take informed investment decisions. This report and other statement - written and oral - that we periodically make, may content forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipates," "estimates", "expects", "projects", "intends", "plans", "believes" and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumption. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anirudh Sonpal
Chairman and Non- Executive Independent Director
Mr. Dharmendra Pawar
Non-Executive Independent Director

Mr. Saurabh Kalani
Whole-Time Director
Mr. Rahul Chouhan
Whole-Time Director
(From 12/11/2021)

Mr. Jagdish Prasad Pandey
Whole-Time Director

Ms. Alka Sagar
Woman Non Executive Director

BANKERS/LENDERS

UCO Bank (Lead Bank)
State Bank of India
Tamilnad Mercantile Bank
IFCI Venture Capital Funds Ltd.
International Finance Corporation

Punjab National Bank
Axis Bank
Asset Care & Reconstruction Enterprise Limited ("ACRE")

Central Bank of India
Bank of Baroda
IFCI Limited
TPG Growth II SF PTE. LTD.

AUDITORS

JOINT STATUTORY AUDITORS

Sanjeev Omprakash Garg & Co.
Chartered Accountants,
Indore (M.P.)

Mahesh C Solanki & Co.
Chartered Accountants,
Indore (M.P.)

SECRETARIAL AUDITOR

M/s. Ritesh Gupta & Co.
Company Secretaries,
Indore (M.P).

COMMITTEES OF DIRECTORS

Audit Committee
Mr. Anirudh Sonpal (Chairman)
Mr. Dharmendra Pawar
Mr. Saurabh Kalani

Stakeholders' Relationship Committee
Mr. Dharmendra Pawar (Chairman)
Mrs. Alka Sagar
Mr. Anirudh Sonpal

Nomination and Remuneration Committee
Mr. Dharmendra Pawar (Chairman)
Ms. Alka Sagar
Mr. Anirudh Sonpal

CSR Committee
Mr. Saurabh Kalani (Chairman)
Mrs. Alka Sagar
Mr. Dharmendra Pawar

Management Committee
Mr. Saurabh Kalani (Chairman)
Mr. Jagdish Prasad Pandey
Mr. Rahul Chouhan

REGISTRAR AND SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

OTHER KEY MANAGERIAL PERSONNELS

Mr. Ramesh Chand Sharma
Chief Financial Officer

Mr. Rishabh Kumar Jain
Company Secretary

MANUFACTURING FACILITIES

SEZ Unit
C-41 - 50, Special Economic Zone,
Sector - III, Industrial Area,
Pithampur
Dist. Dhar - 454775,
Madhya Pradesh

DTA Unit
94, Industrial Area, Sector - I,
Pithampur,
Dist. Dhar - 454775,
Madhya Pradesh

Kashipur Unit
Khasra No. 672-728,
Village - Mahuakhera,
Aliganj Road, Kashipur,
Dist. Udhamsingh Nagar - 244713,
Uttrakhand

CHAIRMAN'S MESSAGE

The fiscal year 2021-22 has been another year dominated by COVID -19 and its consequential impacts. Following multiple waves of the pandemic, when the world felt it was done with its share of challenges, The Russia-Ukraine war drove up commodity prices weighing on the global supply chain and aggravating inflation.

ANIRUDH CHITTARANJAN SONPAL
INDEPENDENT DIRECTOR AND CHAIRMAN OF THE BOARD

Dear Stakeholders,

It gives me great pleasure to present to you the 29th Annual Report of your Company along with the financial and operating performance for FY 2021-22.

Talking about the Indian economy, with the right set of fiscal and monetary policies as well as a widespread vaccination coverage, India has shown its agility in dealing with challenges. However, it became a subject to external shock when Russia invaded Ukraine. India, not different from the world, is now threatened with the headwinds from exacerbating inflation and mounting supply chain disruptions.

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

During the year under review, the Company's performance was satisfactory. Total revenue on a standalone basis for the FY 2021-22 stands at Rs. 10,587.48 Millions in comparison of previous year which was Rs. 9,405.73 Millions. Notwithstanding, the financial challenges in the current scenario, the Company is making its best possible efforts to overcome the challenges with a positive note.

In conclusion I am confident of our growth potential and business opportunities that each of our segments exhibit. As the domestic and international operating environment improves gradually I am optimistic of a healthy performance. This is possible due to our investments in world-class infrastructure, competent resources, superior R&D capabilities and a strong adherence to safety protocols which is a cornerstone of our sustainability endeavours. I am also confident of creating sustained value for all our stakeholders as we progressively step into FY 2022-23.

On this note, we are grateful to all our shareholders, partners, bankers, lenders, vendors, creditors and customers for their continued support and for their faith and commitment. We aim to earn your continued trust every day and finally, sincere thanks to the Company's employees, whose proficiency and professionalism makes us the best in the industry.

Stay Safe and Healthy!!
With Regards,

Anirudh Chittaranjan Sonpal
Independent Director and Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

WORLD ECONOMIC CONDITIONS

The global economic recovery is facing significant headwinds amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain challenges and rising inflationary pressures. After expanding by 5.5 per cent in 2021, the global output is projected to grow by only 4.0 per cent in 2022 and 3.5 per cent in 2023, according to the United Nations World Economic Situation and Prospects (WESP) 2022.

The robust recovery in 2021 – driven by strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels — marked the highest growth rate in more than four decades, the Report highlighted. Yet the momentum for growth – especially in China, the United States and the European Union – slowed considerably by the end of 2021, as the effects of monetary and fiscal stimuli began to recede and major supply-chain disruptions emerged. Rising inflationary pressures in many economies are posing additional risks to recovery.

With the highly transmissible Omicron variant of COVID-19 unleashing new waves of infections, the human and economic toll of the pandemic are projected to increase again. "Without a coordinated and sustained global approach to contain COVID-19 that includes universal access to vaccines, the pandemic will continue to pose the greatest risk to an inclusive and sustainable recovery of the world economy," noted Liu Zhenmin, Under-Secretary-General of the United Nations Department of Economic and Social Affairs.

- **Output losses relative to pre-pandemic projections will remain substantial in most developing countries**

  According to current forecasts, half of the world's economies will exceed pre-pandemic levels of output by at least 7 per cent in 2023. In East Asia and South Asia, average gross domestic product (GDP) in 2023 is projected to be 18.4 per cent above its 2019 level, compared to only 3.4 per cent in Latin America and the Caribbean. This does not necessarily mean that countries will fully regain their output relative to trend output growth before the pandemic. Despite a robust recovery, East Asia and South Asia's GDP in 2023 is projected to remain 1.7 per cent below the levels forecast prior to the pandemic. Africa and Latin America and the Caribbean are projected to see gaps of 5.5 and 4.2 per cent, respectively, compared to pre-pandemic projections. These persistent output gaps will exacerbate poverty and inequality and undermine sustainable development.

- **The global outlook faces major uncertainties and risks**

  Near-term global growth prospects face major risks with the pandemic far from over. With new waves of infections spreading quickly, the human and economic tolls are expected to increase. The growth outlook remains susceptible to an upsurge in cases and potential restrictions on economic activities. Limited access to vaccines poses a particular challenge to most developing countries and transition economies as a resurgence of the virus will likely affect them more than the developed countries, which have achieved relatively high vaccination coverage. By December 2021, the number of vaccine doses per 100 people in the least developed countries stood at just 23.9 against 147.4 in the developed countries. Limited supplies of vaccines from manufacturers and domestic fiscal constraints continue to limit access for many developing countries.

- **International trade and investment registered mixed performance**

  International trade performance was mixed in 2021. Merchandise trade bounced back, with global trade in goods surpassing the pre-pandemic level. Trade in services has remained subdued, however, as many cross-border services, particularly international travel and tourism, have yet to recover.

  In many parts of the world, investment has rebounded from the pandemic-induced slump, supported by an easing of COVID-19 restrictions, large fiscal stimulus packages and ultraloose monetary policies. After contracting by 2.7 per cent in 2020, global investment expanded an estimated 7.5 per cent in 2021, driven by strong albeit moderating growth in China and the United States. Beyond the headline figures, however, the global investment picture is more troubling. In many countries, the rebound is the result of favourable base effects and an exceptionally supportive fiscal and monetary policy environment.

- **Labour market recovery is lagging**

  Employment levels are projected to remain well below pre-pandemic levels during 2022–2023 and possibly beyond. The pace of job creation has been largely inadequate to offset earlier employment losses although the picture varies across regions. While labour markets in developed countries are gradually improving as recovery gathers pace, employment growth in developing countries remains weak amid lower vaccination progress and limited stimulus spending. This divergence is projected to continue in the near-term. In developed economies, full employment recovery is projected in 2023 or in some cases in 2024. The developing economies, especially those in Africa, Latin America and the Caribbean, and Western Asia, are expected to see much slower recovery of jobs.

- **Global poverty is projected to remain at record highs**

Adverse impacts of the pandemic on growth and employment have significantly undermined progress on global poverty reduction, dashing hopes of achieving the Sustainable Development Goal of ending extreme poverty. The number of people living in extreme poverty globally is projected to decrease slightly to 876 million in 2022 but is expected to remain well above pre-pandemic levels.

- **Higher inequality may emerge as a longer-term legacy of the COVID-19 crisis**

Higher levels of inequality within and between countries are emerging as a longer-term consequence of the pandemic. For the vast majority of developing countries, a full recovery of GDP per capita will remain elusive. The gap between what they will achieve and what they would have achieved without the pandemic will persist well into 2023. In contrast, GDP per capita in the developed economies is expected to almost fully recover by 2023 relative to pre-pandemic projections.

Uneven recovery of employment and income across different population groups is increasing inequalities within countries. In particular, the crisis has exacerbated the gender divide, especially in developing countries, where women experienced a sharper decline in employment and labour force participation than men. Many women face serious barriers to re-entering the labour force, especially women with young children. Support for unpaid domestic work, including childcare, will remain crucial to reversing the gender divide in the recovery of jobs. More broadly, an inclusive and sustainable recovery will require putting gender considerations at the heart of social protection and labour market policies.

- **Asset purchase programmes have become a primary stimulus tool in developed countries**

For many developed country central banks, APPs, often referred to as quantitative easing, have become the primary tool for monetary stimulus during the COVID-19 crisis. Since March 2020, the central banks of Japan, the United Kingdom, the United States and the euro area have added roughly $10.2 trillion in security assets to their balance sheets, with total assets soaring to over $25.9 trillion by the end of September 2021. Balance sheets have also risen sharply as a share of GDP. In the second quarter of 2021, total financial assets on central bank balance sheets ranged from 35 per cent of GDP in the United States to 130 per cent in Japan.

In implementing APPs, central banks purchased long-maturity securities such as government bonds or mortgage-backed securities from financial institutions. This provided liquidity to restore market confidence and financial stability, lower long-term borrowing costs, boost credit flows and reduce the cost of servicing existing debt. APPs are expected to stimulate aggregate demand, employment and economic growth while helping central banks achieve their inflation targets.

- **The programmes have been effective in addressing financial distress and kickstarting recovery…**

Empirical evidence suggests that the APPs have been generally effective in addressing financial distress and supporting the recovery of economic activities in the early stages of the current crisis.

During both the global financial crisis and the COVID-19 pandemic, the programmes helped to stabilize financial markets by providing liquidity, easing financial conditions and reducing uncertainty. They also lowered long-term borrowing costs, supporting a rebound in investment and consumption of durable goods and allowing countries to emerge quickly from recession.

- **Asset price bubbles pose a threat to financial stability**

The additional liquidity from large-scale APPs has fueled asset price inflation in virtually every asset class, including bond, equity and real estate markets. Stock prices have recorded especially large gains in the United States, where current valuations are approaching levels only seen prior to the bursting of the dot-com bubble in 2001. This has spurred fears of ever-expanding asset price bubbles as the disconnect between financial markets and economic fundamentals continues to widen. If monetary conditions were to shift abruptly, with major central banks quickly tapering asset purchases and raising policy rates, asset price bubbles would likely burst. Sharp market corrections could trigger a rising number of bankruptcies and inflict substantial economic damage on a fragile recovery, with adverse global spillover effects. Financial stability concerns are compounded by the higher-risk exposure of investors, as APPs have pushed market participants towards higher-yielding assets.

- **After solid economic recovery, downside risks are rising for East Asia**

East Asian economies have rebounded from the worst of the pandemic with GDP growth estimated at 6.7 per cent in 2021 after slowing to 1 per cent in 2020. Recovery is, however, still in the early stages, and the resurgence of COVID-19 cases has disrupted prospects otherwise supported by strong policy stimulus and external demand. More people in extreme poverty, a slow labour market recovery and rising climate risks will continue to inhibit progress on the 2030 Agenda for Sustainable Development.

Looking ahead, the region's economic growth is forecast to moderate to 4.9 per cent in 2022 as base effects disappear. Weaker export demand, prolonged supply-side challenges, rising concerns around financial instability and the possibility of a sharper-than-expected slowdown in China's economy, all amid a lingering pandemic with new variants, pose downside risks. Containing the pandemic will remain a policy priority in the near term; macroeconomic policies should remain accommodative and targeted to ensure an inclusive and sustainable recovery.

- **South Asia's recovery gathers momentum but more constrained policy space and downside risks lie ahead**

The recovery continues to gain momentum in South Asia amid contained COVID-19 infections and higher mobility, robust remittance inflows and broadly supportive macroeconomic policy stances.

After an estimated expansion of 7.4 per cent in 2021, regional GDP is projected to grow at a more moderate pace of 5.9 per cent in 2022. The recovery, however, is still fragile, uneven and subject to pandemic-related uncertainties and downside risks. Labour market recovery is lagging, indicating severe socioeconomic challenges for large segments of the population. Stalling and reversing the recent rise in poverty and inequality largely depends on achieving robust, sustained and inclusive growth. A lasting recovery moving forward may prove challenging, however, as fiscal and monetary policy space become more constrained and global financial conditions tighten. Policymakers will need to maintain critical support for recovery and job creation such as by prioritizing public infrastructure and green investments that crowd-in private finance.

- **Uneven recovery among Western Asian economies points to further polarization**

In Western Asia, the region's GDP grew by an estimated 4.7 per cent in 2021 after contracting by 3.4 per cent in 2020. Economic recovery has been led mainly by growth in domestic demand. With the relaxation of pandemic control measures and progress on vaccination, economic activities showed rapid recovery in most economies in the region in the second half of 2021. In parallel with robust domestic demand, the unemployment rate declined towards pre-pandemic levels in Israel, Saudi Arabia and Turkey. Employment recovery has been slower in other countries and the employment situation remains dire in Iraq, Lebanon, the State of Palestine, the Syrian Arab Republic and Yemen. A strong recovery is forecast to continue, mainly in oil-exporting countries given the expected increase in crude oil production. Regional GDP growth is projected to accelerate to 4.8 per cent in 2022. Recovery remains fragile, however, in non-oil exporting middle- and low-income countries.

INDIAN ECONOMY

- **State of the economy**

The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection, supply-chain disruptions and, more recently, inflation have created particularly challenging times for policy-making. Faced with these challenges, the Government of India's immediate response was a bouquet of safety-nets to cushion the impact on vulnerable sections of society and the business sector.

Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 3.9 per cent in 2021-22 after growing 3.6 per cent in the previous year. Advance estimates suggest that the GVA of Industry (including mining and construction) will rise by 11.8 per cent in 2021-22 after contracting by 7 per cent in 2020-21. The Services sector has been the hardest hit by the pandemic, especially segments that involve human contact. This sector is estimated to grow by 8.2 per cent this financial year following last year's 8.4 percent contraction.

Total Consumption is estimated to have grown by 7.0 per cent in 2021-22 with significant contributions from government spending. Similarly, Gross Fixed Capital Formation exceeded pre-pandemic levels on the back of ramped up public expenditure on infrastructure. Exports of both goods and services have been exceptionally strong so far in 2021-22, but imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

With the vaccination programme having covered the bulk of the population, economic momentum building back and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of 8.0-8.5 per cent in 2022-23.

Despite all the disruptions caused by the global pandemic, India's balance of payments remained in surplus throughout the last two years. This allowed the Reserve Bank of India to keep accumulating foreign exchange reserves (they stood at US$ 634 billion on 31st December 2021). This is equivalent to 13.2 months of merchandise imports and is higher than the country's external debt. The combination of high foreign exchange reserves, sustained foreign direct investment, and rising export earnings will provide an adequate buffer against possible global liquidity tapering in 2022-23.

The fiscal support given to the economy as well as to the health response caused the fiscal deficit and government debt to rise in 2020-21. However, a strong rebound in government revenues in 2021-22 has meant that the Government will comfortably meet its targets for the year while maintaining the support, and ramping up capital expenditure. The strong revival in revenues (revenue receipts were up over 67 per cent YoY in April-November 2021) means that the Government has fiscal space to provide additional support if necessary.

Inflation has reappeared as a global issue in both advanced and emerging economies. India's Consumer Price Index inflation stood at 5.6 per cent YoY in December 2021 which is within the targeted tolerance band. Wholesale price inflation, however, has been running in double-digits. Although this is partly due to base effects that will even out India does need to be wary of imported inflation, especially from elevated global energy prices.

Another distinguishing feature of India's response has been an emphasis on supply-side reforms rather than a total reliance on demand management. These supply-side reforms include deregulation of numerous sectors, simplification of processes, removal of legacy issues like 'retrospective tax', privatization, production-linked incentives and so on. These have been discussed in detail in the respective chapters. Even the sharp increase in capital spending by the Government can be seen both as demand and supply enhancing response as it creates infrastructure capacity for future growth.

In response to the COVID-19 shock, the Government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy i.e. number of schemes particularly for MSME's which includes additional credit facilities, increasing the scope of Companies eligible for registration under MSME etc. Thanks in part to these proactive measures, the economy is expected to rebound - with a strong base effect materializing in FY22 and growth is expected to stabilize at around 6-6.5 percent thereafter.

With the bouncing back of the economy in the current financial year, the revenue receipts of the central government during April to November 2021 have gone up by 67.2 percent (YoY), as against an expected growth of 9.6 per cent in the 2021-22 Budget Estimates (over 2020-21 Provisional Actuals). The buoyant tax collections of both direct and indirect taxes, along with the non-tax revenue boosted by RBI's surplus transfer to the Government, have contributed to the increase in the revenue pool. The gross tax revenue during this period has registered a growth of over 50 percent in YoY terms. This performance is strong not only over the corresponding period of the previous year but also when compared to the pre-pandemic levels of 2019-20. The gross monthly GST collections have crossed the Rs. 1 lakh crore mark consistently since July 2021, after quickly recovering from a dip in June 2021 following the second wave of COVID-19. The impact of the second wave of COVID-19 on GST collections was much more muted as compared to the first wave. The ongoing improvement in revenue performance during the current year can also be attributed to increased tax compliance enabled by various tax administration and policy reforms implemented by the Government in the past few years.

External trade recovered strongly in 2021-22 after the pandemic-induced slump of the previous year, with strong capital flows into India, leading to a rapid accumulation of foreign exchange reserves. The resilience of India's external sector during the current year augurs well for growth revival in the economy. However, the downside risks of global liquidity tightening and continued volatility of global commodity prices, high freight costs, coupled with the fresh resurgence of COVID-19 with new variants may pose a challenge for India during 2022-23.

INDUSTRY OVERVIEW

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

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

Peculiarly, Technical textiles as a segment is directly proportional to the stage of industrialization and economic growth of any country. Developing countries undergoing large scale industrialization fuel the demand for technical textile products. The usage may range from infrastructure, agriculture, health, defense, automobiles, aerospace, sports, protective clothing, packaging, etc., With transformation of the Indian economy post liberalization in the early 1990s, the demand and consumption of technical textiles products in India has been consistently increasing. The growth of technical textiles has also helped growth and innovation of conventional textile products, owing to significant value addition across the textile value chain. All major players in India have started developing technical textiles products as they provide better margins in comparison to conventional textiles.

As per the latest estimates of IIT Delhi, the global Technical Textiles market is expected to grow at a CAGR of 5.06% between 2020 and 2025 whereas the market in India is likely to grow at a CAGR of 8.25% during the same period. The forecast arrived at by the research team suggests that the market for technical textiles in India will grow in value from Rs. 122,943 Crores (US$ 18.89 Billion) in 2019-20 to Rs. 1,82,742 Crores (US$28.06 Billion) in 2024-25. The market size of the textile industry in India is Rs. 7,11,409 Crores while that of technical textiles is Rs. 1,22,943 Crores during 2019-20. Even as it currently contributes a relatively modest portion i.e. 17% of the total textile market in India. The size of the technical textiles market in India is a small proportion (8.7%) of the market size of technical textiles in the world in 2019-20. It is expected that by 2024-25, the value of consumption (calculated at constant foreign exchange rates) of technical textiles in India is likely to be 10.1% of global consumption of technical textiles in 2024-25.

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

Currently, share of technical textiles in Indian textile value chain is around 13 per cent. With the growth potential of various related sectors, technical textiles are poised to grow at 18 per cent CAGR during the period 2018-25. Technical textile industry in India is import dependent. Many products like specialty fibers/yarns, medical implants, protective textiles, webbings for seat belts, etc. are mostly imported. However, technical textiles sector has registered impressive growth in the recent years. In order to capitalize on the growth potential, technical textiles ecosystem in India needs to grow significantly with focus on research and innovation in high growth sectors such as Mobiltech, Buildtech, Indutech, Meditech, etc., to ensure sustainable growth, the sector needs to adopt global best practices and attract FDIs (100 percent FDI is allowed under automatic route) and JVs with global technical textiles companies.

COMPANY OVERVIEW

Flexituff Ventures International Limited ("FVIL") is a multi-product, multi-market and multi-location enterprise. Having evolved from a leading global FIBC major to a foremost Indian Geo-synthetics solution provider, Flexituff – through its niche products also serves the domain needs of retail, agro, pharma and infrastructure sectors. With three manufacturing plants across India, 2 direct subsidiaries, one based in India & another in Cyprus exports to over 60 countries, employing over 8000 global citizens, Flexituff is truly an Indian multi-national company that has come of age.

FVIL is a trusted name in the manufacturing of Flexible Intermediate Bulk Container (FIBC), geotextiles, reverse printed BOPP (Biaxially oriented polypropylene) woven bags, and NPC drippers. Economies of scale, the edge of attitude, 100% integration under one roof, global foot-prints for more than 25 years of being in the industry are the key pointers for excellent reputation in domestic as well as international market.

BUSINESS OVERVIEW

During the FY 2021-22 your Company's products had good demand in comparison to FY 2020-21. The company had incurred net losses form the Financial year 2018-19 till date. The problems started with large amounts of money getting stuck in Government receivables. This led to a default in the repayment of the Bonds further leading to downgrading of credit rating of the company.

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

In the current year due to various steps taken by the company, the company is able to successfully face the COVID pandemic on its own.

The COVID pandemic in Quarter 1st of F.Y. 2021 resulted in problems for the Company. With lot of efforts, company was able to find a solution for the raw material supplies and was able to source imported material to reduce the additional cost being incurred on this account.

The FIBC business has proven its strength twice - once during 2008-09 global meltdown where all the export businesses had suffered drastically however, our business had no adverse impact either on sale or margins. Another, when whole world is suffering under COVID-19 pandemic scenario where most of the businesses have suffered drastically yet we are standing pristinely.

Company endeavoured to evaluate various options & potential ways of improving the cash flow through injection of working capital, other long term funding, cost cutting, etc. However, the shadow of COVID-19 pandemic will likely to impact its financial planning and health.

Looping to all the factors & the unstable conditions the Company's performance in FY 2021-22 was satisfactory.

SEGMENTAL REVIEW

FIBC BUSINESS

A flexible intermediate bulk container (FIBC), bulk bag, or big bag, is an industrial container made of flexible fabric that is designed for flowable products, such as sand, fertilizer, and granules of plastic. They are mainly used for the purpose of protection, storage, handling and transportation of goods in a large quantity from the manufacturing facilities to distributions hubs.

FIBC are made from woven polypropylene or polypropylene fabric of different weights and strength. FIBCs are available in a wide variety and are suitable for numerous applications in the chemical, pharmaceutical, and food industries. The FIBC market is characterized by innovative offerings and customizations according to customer specifications.

It is made of strong, poly propylene, flexible fabric and can hold upto2 tons of material. They are manufactured with either one, two or four loops for efficient handling purposes. Also, there are several specialized product-types of FIBC's such as flame-retardant, pallet-free, baffle-bags, UV resistant & conductive.

According to the various Global FIBC Market Research Reports, The flexible intermediate bulk container market is highly fragmented. The market growth is expected to change if the market structure changes due to industry consolidation or if some vendors exit the market. Analysts estimate the market to grow at a CAGR of 6.48% till 2024. During the forecast period, the market will show an accelerating growth of $1576.82 million.

Going forward, FIBC, will continue to be the major segment of the Company, it contributes approx. 82% to Company's top line. Your Company has market share of 15%-20%of Indian exports of FIBC and that is the largest producer of FIBC in India.

- **Opportunities and Outlook**

  Flexituff is among the few FIBC manufacturing companies across the world who are perpetually focusing on its products quality, durability, designing and satisfying end user requirement aptly. Nearly 65% of Company's FIBC product portfolio comprises of high-end bags for food, chemical and pharma industries and thus commands premium realisations in the export market. The Company is likely to benefit from the growth opportunities in the top three regions—America, Europe and Asia Pacific. Moreover, it's well-placed to address the growing demand in the domestic market.

- **Risks and concerns**

  Operating margin remains susceptible to fluctuations in the prices of key input i.e. polymer, which move in tandem with crude oil prices. Also, we are subjected to foreign currency exchange rate fluctuations which could have impact on results of operations. However, this is hedged passing the increase and decrease in the polymer price to customers.

  The FIBC industry is fragmented because of low entry barrier as capital and technology requirements are limited, gestation period is small, and raw materials are easily available. This restricts substantial scale up in operations and exerts pricing pressure. Also, this industry being highly labour intensive the retention of workers has been high priority for the Company. Attrition of workers may affect the production and also involves cost and time in inducting and training of new appointees. Several other global as well as Indian economic and political factors that are beyond our control may affect the business of the Company.

GEOSYNTHETICS BUSINESS

Geo-synthetic are synthetic products which are used to stabilize terrain, and are polymeric products used to solve civil engineering problems. It includes products including geogrids, geotextiles, geomembranes, Geo-nets, Geo-synthetic clay liners, Geo-cells, Geo-composites, and Geo-foam.

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