Flexituff Ventures International Limited
C41-50, SEZ Sector-3
Pithampur – 454 775, Distt. Dhar (M.P.) India
Phone: 91-7292420200, 401681-82-83
Fax : 91-7292-401684
Email: mail@flexituff.com url: www.flexituff.com
CIN : L25202MP1993PLC034616

30th May, 2023

To, The Manager (Listing Centre) BSE Limited 25th Floor, P.J. Towers, Dalal Street, Mumbai-400 001	To, The Manager - Corporate Compliance National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051

REF: Flexituff Ventures International Limited (ISIN – INE060J01017), BSE Code-533638, NSE Scrip- FLEXITUFF

Sub: Audited Standalone & Consolidated Financial Results for the Quarter and Financial Year ended 31st March, 2023.

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith:-

1. Audited Standalone and Consolidated Financial Results for the quarter and financial year ended 31st March, 2023.
2. Auditors' Report on Audited Standalone and Consolidated Financial Results for the quarter & financial year ended 31st March, 2023.
3. Statement on Impact of Audit Qualifications- Standalone and Consolidated (for audit reports with modified opinion).

This is for your information and needful.

Thanking you,
For **Flexituff Ventures International Limited**

RISHABH KUMAR JAIN

Digitally signed by RISHABH KUMAR JAIN
DN: c=IN, postalCode=452016, st=MADHYA PRADESH, street=G1 SHLOKE ENCLAVEINDOREKANADIA ROAD MAINNEAR ASHISH KIRANA 452016, l=INDORE, o=Personal, title=8501, serialNumber=3f068a5e595ae0fa10c1ad9cdc24432886f71a1948d30c3dd7e2034c82e93a12, pseudonym=85012023010213045836, 2.5.4.20=34a2b7d63b3f3a1bfb9ff920e436ef8865a9d416e68d9a4aed9d90348b47b44e, email=SANDHELIYA.RISHABH@GMAIL.COM, cn=RISHABH KUMAR JAIN
Date: 2023.05.30 19:11:55 +05'30'

Rishabh Kumar Jain
Company Secretary& Compliance Officer
[Membership No: F7271]

Encl: - as above

Report on the audit of Standalone Annual Financial Results of Flexituff Ventures International Limited

The Board of Directors
Flexituff Ventures International Limited

Qualified Opinion

We have audited the accompanying standalone annual financial results of Flexituff Ventures International Limited (hereinafter referred to as 'the Company') for the year ended 31 March 2023 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulation').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone annual financial results:

a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive profit and other financial information for the year ended 31 March 2023.

Basis for Qualified Conclusion

We draw attention to the following matters:

a) The Company has recognized deferred tax asset (net) of Rs. 11,296.67 lakhs on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Due to the financial difficulties experienced by the Company as stated in Note 2 to the Statement and significant uncertainty stated in Note 3 to the Statement, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the Statement. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2023 would have been higher by Rs. 11,296.67 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement).

b) The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 30,239.33 lakhs as at 31 March 2023 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 to the Statement in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors,

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU.

c) The Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended 31 March 31 2020; Rs 1,714.41 lakhs for the year ended 31 March 2021; Rs 2,030.70 lakhs for the year ended 31 March 2022 and Rs 2,726.16 lakhs for the year ended 31 March 2023 respectively on loans outstanding to certain lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss for the years ended 31 March 2023, 31 March 2022, 31 March 2021 and 31 March 2020 is understated by Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs. 1,714.41 lakhs and 1832.91 lakhs respectively. In the absence of sufficient appropriate review evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. (Refer Note 5 to the Statement).

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the standalone annual financial results which states that the Company has incurred net losses of Rs. 10,450.27 lakhs during the year ended March 31, 2023 and has a net current liability position of Rs. 54,576.37 lakhs as on that date and describes certain loans for which the Company is in default. Further, the Company's ability to meet its future obligations is dependent on restructuring of its loans. These conditions indicate significant doubt on the Company's ability to continue as going concern. The Company is in the process of executing an Inter Creditor Arrangement and proposing a resolution plan to the lenders. In view of the above, the Statement of the Company has been prepared on a going concern basis. Our opinion on the Statement is not modified in respect of this matter.

Emphasis of Matters

We draw attention to

a) Note 6 to the Statement which describes Tuff Subsidy and Government Subsidy receivable by the Company Rs 1,243.15 lakhs which pertains to the period prior to financial year 2016-17. The Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Company is confident that the said government subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

b) Note 7 to the Statement which describes claims amounting to Rs 1,499.22 lakhs of export incentive receivable. The Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 30 June 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued interim order and final order is awaited in this regard. The Company is confident that final order of High Court will be issued in favour of manufacturers.

Our report is not modified in respect of the above matters.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Statement that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and based on our review conducted as above, except for the effects of the matters described in the presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Statement made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' 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 appropriateness of this assumption. 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with 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

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS ★

Other matter

The Statement include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Mahesh C. Solanki & Co.
Chartered Accountants
ICAI Firm Registration No. 006228C

Mahesh Solanki

Digitally signed by Mahesh Solanki
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Date: 2023.05.30 17:43:17 +05'30'

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS

Mahesh Solanki
Partner
Membership No.: 074991
UDIN: 23074991BGUWJX8854

Place: Indore
Date: 30 May 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

FlexiTuff VENTURES

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	As at	
		31 March 2023	**31 Mar 2022**
		(Audited)	**(Audited)**
A	**ASSETS**		
1)	**Non-current assets**		
	Property, plant and equipment	37,495.47	40,921.21
	Intangible assets	1,092.05	2,256.02
	Right-of-use assets	856.91	60.12
	Investments in subsidiaries	4.91	4.91
	Financial assets		
	- Investments	0.11	0.11
	- Other financial assets	859.84	1,152.26
	Deferred tax assets	11,296.67	7,399.85
	Non-current tax assets (net)	149.32	149.31
	Other non-current assets	3.56	2.77
	Total non-current assets	**51,758.84**	**51,946.56**
2)	**Current assets**		
	Inventories	9,202.15	10,104.70
	Financial assets		
	- Trade receivables	20,048.76	25,362.24
	- Cash and cash equivalents	297.74	753.37
	- Bank balances other than cash and cash equivalents	793.11	480.70
	- Loans	2,557.08	2,917.70
	- Other financial assets	1,029.32	997.70
	Current tax assets (net)	177.01	334.09
	Other current assets	6,126.57	6,622.24
	Total current assets	**40,231.74**	**47,572.74**
	Total assets	**91,990.58**	**99,519.30**
B	**EQUITY AND LIABILITIES**		
1)	**Equity**		
	Equity share capital	2,688.28	2,488.28
	Other equity	(6,879.64)	2,658.94
	Total equity	**(4,191.36)**	**5,147.22**
	Liabilities		
2)	**Non-current liabilities**		
	Financial liabilities		
	- Borrowings	-	2,470.36
	- Lease liabilities	751.00	50.04
	Provisions	622.83	553.69
	Deferred tax liabilities (net)		
	Total non-current liabilities	**1,373.83**	**3,074.09**
3)	**Current liabilities**		
	Financial liabilities		
	- Borrowings	64,381.01	59,901.39
	- Lease liabilities	126.88	15.96
	- Trade payables		
	(a) Outstanding dues to micro enterprises and small enterprises		
	(b) Outstanding dues to creditors other than micro enterprises and small enterprises	18,980.45	22,125.39
	- Other financial liabilities	8,716.94	7,590.98
	Provisions	20.36	23.30
	Other current liabilities	2,582.47	1,640.97
	Total current liabilities	**94,808.11**	**91,297.99**
	Total equity and liabilities	**91,990.58**	**99,519.30**

For Flexituff Ventures International Limited

SAURABH KALANI

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

FlexiTuff VENTURES

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31 March 2023	**31 Dec 2022**	**31 March 2022**	**31 Mar 2023**	**31 Mar 2022**
		(Audited) (Refer note 12)	**(Unaudited)**	**(Audited) (Refer note 12)**	**(Audited)**	**(Audited)**
1	**Income**					
	Revenue from operations	18,401.13	22,543.87	24,107.20	91,529.83	1,03,908.66
	Other income	239.10	380.22	859.72	1,417.61	1,966.24
	Total income	**18,640.23**	**22,924.09**	**24,966.92**	**92,947.44**	**1,05,874.90**
2	**Expenses**					
	(a) Cost of materials consumed	11,568.81	11,993.51	15,250.33	53,311.01	63,492.36
	(b) Purchase of stock-in-trade	673.28	1,391.51	(678.44)	2,246.15	802.39
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(1,351.29)	880.80	68.86	1,478.48	1,857.61
	(d) Employee benefits expense	4,293.85	4,511.41	4,489.80	17,539.27	18,767.65
	(e) Finance costs	1,699.34	1,787.07	1,760.40	6,979.70	6,680.76
	(f) Depreciation and amortisation expense	1,614.15	1,703.05	1,640.89	6,825.13	6,947.81
	(g) Other expenses	5,469.40	4,771.71	6,012.82	18,917.74	18,727.22
	Total expenses	**23,967.54**	**27,039.06**	**28,544.66**	**1,07,297.48**	**1,17,275.80**
3	**(Loss) before tax (1-2)**	**(5,327.31)**	**(4,114.97)**	**(3,577.74)**	**(14,350.04)**	**(11,400.90)**
4	**Tax expense**					
	(a) Current tax	-	-	-	-	-
	(b) MAT charge of previous year	-	-	-	-	-
	Less: MAT credit entitlement of previous year	-	-	-	-	-
	(c) Income Tax charge for previous years	-	-	(14.50)	-	455.46
	(d) Deferred tax (credit)	(3,183.22)	(399.13)	(92.17)	(3,899.77)	(2,399.57)
	Total tax charge / (credit)	**(3,183.22)**	**(399.13)**	**(106.67)**	**(3,899.77)**	**(1,944.11)**
5	**(Loss) for the period / year (3-4)**	**(2,144.09)**	**(3,715.84)**	**(3,471.07)**	**(10,450.27)**	**(9,456.79)**
6	**Other comprehensive income / (loss)**					
	Items that will not be subsequently reclassified to profit or loss					
	(a) Remeasurements of the net defined benefit plans	(9.25)	6.23	17.66	9.42	24.89
	(b) Tax relating to items that will not be subsequently reclassified to profit or loss	2.89	(1.94)	(5.51)	(2.94)	(7.77)
	Other comprehensive income for the period / year	**(6.36)**	**4.29**	**12.15**	**6.48**	**17.12**
7	**Total comprehensive (loss) for the period / year (5+6)**	**(2,150.45)**	**(3,711.55)**	**(3,458.92)**	**(10,443.79)**	**(9,439.67)**
8	**Paid-up equity share capital (Face value of Rs. 10/- each)**	**2,688.28**	**2,488.28**	**2,488.28**	**2,688.28**	**2,488.28**
9	**Other equity**				**(6,879.64)**	**2,658.94**
10	**Earnings per share (of Rs 10/- each) (not annualised for the quarters) [in Rs.]:**					
	Basic and Diluted (Refer Note 10)	**(8.61)**	**(14.93)**	**(13.95)**	**(41.96)**	**(38.01)**

For Flexituff Ventures International Limited

SAURABH KALANI

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

FlexiTuff VENTURES

AUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in lakhs, unless otherwise state

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
	(Audited)	(Audited)
Cash flows from operating activities		
Loss before tax	(14,350.04)	(11,400.90)
Adjustments for:		
Depreciation and amortization expenses	6,825.13	6,947.81
Interest and finance charges	6,979.70	6,680.76
Interest income	(353.40)	(444.13)
Amortisation of Government Grants	-	(225.81)
Liabilities written back	(0.81)	(1.82)
Provisions no longer required written back	-	(566.63)
Impairment of Investments in Subsidiary	-	125.20
Provision for doubtful debts/advances	1,881.80	1,756.83
Provision for loan to related parties	-	720.94
(Profit)/Loss on sale of property, plant & equipment (net)	9.67	278.97
Unrealized foreign exchange loss / (gain) (net)	104.92	(141.00)
Provision for retirement benefits (net)	6.48	17.12
Provision for interest income on loans to related parties	413.08	-
Operating (loss) / profit before working capital changes	**1,516.53**	**3,747.34**
Changes in working capital		
Increase/(decrease) in trade payables	(3,147.19)	(1,111.23)
Increase/(decrease) in other liabilities	942.03	687.38
Increase/(decrease) in other financial liabilities	(629.30)	925.72
Increase/(decrease) in provisions	66.20	56.16
Decrease/(increase) in trade receivables	3,296.34	(2,042.11)
Decrease/(increase) in inventories	902.55	2,952.94
Decrease/(increase) in other assets	494.91	1,629.49
Decrease/(increase) in other financial assets	265.35	(111.95)
Decrease/(increase) in Loans	(19.74)	(64.29)
Decrease/(increase) in other cash and cash equivalents	(312.42)	773.19
Cash generated from operations	**3,375.26**	**7,442.64**
Income tax	160.02	(4.67)
Net cash inflows from operating activities (A)	**3,535.28**	**7,437.97**
Cash flows from Investing activities		
Payments for property, plant and equipment and intangible assets (net)	(168.35)	(280.43)
Interest received	349.09	448.93
Net (payments)/proceeds from fixed deposits (having original maturity of more than 12 months)	-	(140.95)
Net cash flow from investing activities (B)	**180.74**	**27.55**
Cash flows from Financing activities		
Net repayment of Borrowings	(10.83)	(461.24)
Principal elements of lease payments	(41.58)	(20.29)
Interest and finance charges paid	(5,224.44)	(6,639.86)
Proceeds from issue of share warrants	475.20	-
Proceeds from issue of shares	630.00	-
Net cash outflow from financing activities (C)	**(4,171.65)**	**(7,121.39)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(455.63)**	**344.13**
Cash and cash equivalents at the beginning	753.37	409.23
Cash and cash equivalents at the end	**297.74**	**753.36**
Cash and cash equivalents comprise		
Balances with banks in current accounts	16.73	250.25
Fixed deposits with maturity of less than 3 months	262.75	472.50
Cash on hand	18.26	30.61
Total	**297.74**	**753.36**

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

For Flexituff Ventures International Limited

SAURABH KALANI

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

Notes

1) The above audited standalone financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 May 2023. These audited standalone financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
The Statutory Auditors have expressed a modified opinion on these results.

2) As on March 31, 2023, the Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs. 3,828.34 lakhs and Rs. 2,300.77 lakhs respectively to financial institutions (The interest default cited here is net of TDS (as applicable)).

   As on March 31, 2023 the Company has defaulted in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs. 18,499.50 lakhs and Rs. 7,054.51 lakhs respectively and also defaulted in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs. 7,399.80 lakhs. Interest accrued and payable to IFC amounts to Rs. 2,275.05 lakhs. (The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 5 below).

   The Company has devolved Letter of Credit issued by banks and such devolvement has resulted in over utilisation of cash credit facilities by Rs. 17,493.73 lakhs (including interest) as on March 31, 2023, based on drawing power sanctioned by March 2023.

3) The Company has incurred net losses of Rs. 10,450.27 lakhs during the year ended March 31, 2023 and has a net current liability position of Rs 54,576.37 lakhs as on that date. Further, in respect of certain loan arrangements for which the amounts have fallen due as mentioned in Note 2 above; the Company is pursuing with its lenders for restructuring of loans through an Inter Creditor Agreement. Consequently, the Company's ability to meet its obligations is dependent on restructuring of loans. The Company will also require further financing to sustain its operations in the normal course of business for which the Company is also contemplating monetisation of certain assets. These events along with other conditions cast significant doubt on the ability of the Company to continue as a going concern. The Company is confident that such cash flows would enable it to service its debt and discharge its obligations. Accordingly, these results of the Company have been prepared on a going concern basis.

4) The Company is carrying deferred tax asset of Rs. 11,296.67 lakhs (including MAT credit of Rs. 2,797.69 lakhs) as on March 31, 2023. Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset and MAT credit within the time limit prescribed under the Income Tax Act, 1961. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax assets.

5) The Company is in the process of approaching TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its loan and envisages that the lenders shall forgo the interest charge (including penal interest) on its loans for the period April 1, 2019 to March 31, 2023.

   Accordingly, the Company has not accrued interest amounting to Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs.1,714.41 lakhs and Rs. 1,832.91 lakhs for the years ended March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020 respectively. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2023 amounts to Rs 8,304.18 lakhs.

6) Tuff Subsidy and Government Subsidy receivable by the Company Rs 1,243.15 lakhs which pertains to the period prior to financial year 2016-17. The Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Company is confident that the said government subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.

7) Claims amounting to Rs 1,499.22 lakhs of export incentives are receivable by the Company. The Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 30 June 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued interim order and final order is awaited in this regard. The Company is confident that final order of High Court will be issued in favour of manufacturers.

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

Notes

8) The Company is engaged in only one Segment viz. Technical Textile. As such there is no separate reportable segment as per Ind AS 108 'Operating Segments'.

9) The Company has made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share during the year and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year.

10) The Company has incurred a loss for the quarter and year ended 31 March 2023 and accordingly, the effect of potential equity shares to be issued would be antidilutive.

11) Previous period's / year's figures have been re-grouped wherever necessary to correspond with the current period's figures.

12) The figures for the last quarter are balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective fianncial year.

For Flexituff Ventures International Limited

SAURABH KALANI

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

Statement on Impact of Audit Qualifications (for audit report with modified opinion) Submitted along-with Annual Audited Financial Results-Standalone

Statement on impact of Audit Qualifications for the financial year ended March 31, 2023
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016] Standalone

I.	Sl.	Particulars	Adjusted Figures (Rs. In Lakhs) (as reported before adjusting for qualifications)	Adjusted Figures (Rs. In Lakhs) (audited figures after adjusting for qualifications)
	1.	Total Income	92,947.44	92,947.44
	2.	Total Expenditure	1,07,297.48	1,15,601.66
	3.	Net Profit/(Loss) after taxes	(10,450.27)	(30,051.12)
	4.	Earnings/(Loss) Per Share	(41.96)	(120.66)
	5.	Total Assets	91,990.58	80,693.91
	6.	Total Liabilities	96,181.94	1,04,486.12
	7.	Net Worth	(4,191.36)	(23,792.21)
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer Material Uncertainty with respect to Going Concern Paragraph in the Auditors Report.	

II. Audit Qualification (each audit qualification separately)

a. Audit Qualifications

1. The Company has recognized deferred tax asset (net) of Rs. 11,296.67 lakhs on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Due to the financial difficulties experienced by the Company as stated in Note 2 to the Statement and significant uncertainty stated in Note 3 to the Statement, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the Statement. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2023 would have been higher by Rs. 11,296.67 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement).

2. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 30,239.33 lakhs as at 31 March 2023 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 to the Statement in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and

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		consequential impairment provision, if any, to be made in the Statement with regard to the CGU. 3. The Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended 31 March 31 2020; Rs. 1714.41 lakhs for the year ended 31 March 2021; Rs. 2,030.70 lakhs for the year ended 31 March 2022 and Rs. 2,726.16 lakhs for the year ended 31 March 2023 respectively on loans outstanding to certain lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss for the years ended 31 March 2023, 31 March 2022, 31 March 2021 and 31 March 2020 is understated by Rs. 2,726.16 lakhs, Rs. 2,030.70 lakhs, Rs. 1714.41 lakhs and 1832.91 lakhs respectively. In the absence of sufficient appropriate review evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. (Refer Note 5 to the Statement).
	b.	Type of Audit Qualification: Qualified Opinion
	c.	Frequency of qualification: The qualification mentioned above in II (a) (i) and (ii) is repetitive and continuing since Limited Review for the quarter and nine months ended December 31, 2019. The qualification mentioned in II (a) (iii) is repetitive and continuing since the year ended March 31, 2020.
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Management views for qualification mentioned in II (a) (I) above: The Company is carrying deferred tax asset aggregating to Rs. 11,296.67 lakhs. Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset (including MAT Credit) within the time limit prescribed under the Income Tax Act, 1961. Management believes that they are very close to having a complete solution for the Company's debt overhang. The management is negotiating with various investors and all its lenders for one-time settlement of the term loans. This settlement will happen at a steep discount to the original value. On account of the steep discount, enough profit would be generated which will set off the entire brought forward losses. Once the solution happens, the Company has the ability to generate profit in excess of Rs. 50 crore per year which will enable the Company to utilize deferred tax in the period available to the company easily. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax recognised. Management views for qualification mentioned in II (a) (iii) above: The Company is in the process of approaching TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its loan and envisages that the lenders shall forgo the interest charge (including penal interest) on its loans for the period April 1, 2019 to March 31, 2023. Accordingly, the Company has not accrued interest amounting to Rs. 2726.16 Rs. 2,030.70 lakhs, Rs. 1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2023, for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: Management views for qualification mentioned in II (a) (ii) above is explained below:

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		(i) Management's estimation on the impact of audit qualification: According to Management's estimates and assumptions on the projections for Kashipur CGU; the present value of the future cash flows expected to be derived from Kashipur CGU is higher than its carrying value as on March 31, 2023. Thus, in the view of Management, there is no requirement for accounting any impairment loss. (ii) If management is unable to estimate the impact, reasons for the same: Not Applicable (iii) Auditors' Comments on (i) or (ii) above: ii. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 30,239.33 lakhs as at 31 March 2023 comprising of tangible and intangible assets. The Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 to the Statement in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU.

III. Signatories:		
Whole Time Director SAURABH KALANI Saurabh Kalani Place : Pithampur Date : May 30, 2023	Chairman of Audit Committee ANIRUDH CHITTARANJAN SONPAL Digitally signed by ANIRUDH CHITTARANJAN SONPAL Anirudh Sonpal Place : Vadodara Date : May 30, 2023	Chief Financial Officer Ramesh Chand Sharma Ramesh Chand Sharma Place : Pithampur Date : May 30, 2023
For Mahesh C. Solanki & Co. Chartered Accountants ICAI Firm Registration No. 006228C Mahesh Solanki Digitally signed by Mahesh Solanki Date: 2023.05.30 19:00:57 +05'30' Mahesh Solanki Partner Membership No. 074991 UDIN: 23074991BGUWJX8854 Place : Indore Date : May 30, 2023		

Report on the audit of Consolidated Annual Financial Results of Flexituff Ventures International Limited

The Board of Directors
Flexituff Ventures International Limited

Qualified Opinion

We have audited the accompanying consolidated annual financial results of Flexituff Ventures International Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2023 ('the Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulation').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports on separate audited financial statements of the subsidiary referred to in paragraph (a) of "Other Matters" section below except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

a. Include the annual financial results of the following entities:

Sr No	Name of the Company	Relationship with the Holding Company #
1	Flexiglobal Holding Limited, Cyprus	Subsidiary
2	Flexiglobal (UK) Limited, United Kingdom	Step down subsidiary
3	Flexituff Technology International Limited	Subsidiary
4	Flexituff S.A. Enterprise LLP	Subsidiary
5	Flexituff Javed Ahmed LLP	Subsidiary
6	Flexituff Hi-Tech LLP	Subsidiary
7	Ujjivan LUIT LLP	Subsidiary
8	Flexituff Sailendra Kalita LLP	Subsidiary
9	Budheswar Das Flexituff International Limited JV	Subsidiary
10	Sanyug Enterprise Flexituff International Limited JV	Subsidiary
11	Vishnu Construction Flexituff International Limited JV	Subsidiary
12	Mayur Kartick Barooah Flexituff International Limited JV	Subsidiary
13	Flexituff Sailendra Kalita JV	Subsidiary
14	Flexituff Pulin Borgohain JV	Subsidiary

reckoned as subsidiary on the basis of control

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Group for the year ended 31 March 2023.

Basis for Qualified Conclusion

We draw attention to the following matters:

a) The Holding Company has recognized deferred tax asset (net) of Rs 11,296.67 lakhs on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Due to the financial difficulties experienced by the Holding Company as stated in Note 2 to the Statement and significant uncertainty stated in Note 3 to the Statement, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the consolidated annual financial results. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2023 would have been higher by Rs 11,296.67 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement).

b) The Holding Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 30,239.33 lakhs as at 31 March 2023 comprising of tangible and intangible assets. The Holding Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Holding Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 to the Statement in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU.

c) The Holding Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended 31 March 31 2020; Rs 1714.41 lakhs for the year ended 31 March 2021; Rs 2,030.70 lakhs for the year ended 31 March 2022 and Rs 2,726.16 lakhs for the year ended 31 March 2023 respectively on loans outstanding to certain lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss for the year ended 31 March 2023, for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 is understated by Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs. 1714.41 lakhs and 1832.91 lakhs respectively. In the absence of sufficient appropriate review evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. (Refer Note 5 to the Statement).

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results 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 together with the ethical

MAHESH C. SOLANKI & CO. * CHARTERED ACCOUNTANTS requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of report of the other auditors referred to in paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the Statement.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the Statement which states that the Holding Company has incurred net losses of Rs. 10,450.27 lakhs during the year ended March 31, 2023 and has a net current liability position of Rs. 54,576.37 lakhs as on that date and describes certain loans for which the Holding Company is in default. Further, the Holding Company's ability to meet its future obligations is dependent on restructuring of its loans. These conditions indicate significant doubt on the Holding Company's ability to continue as going concern. The Holding Company is in the process of executing an Inter Creditor Arrangement and proposing a resolution plan to the lenders. In view of the above, the Statement of the Group has been prepared on a going concern basis. Our opinion on the Statement is not modified in respect of this matter.

Emphasis of Matters

We draw attention to

a) Note 6 to the Statement which describes Tuff Subsidy and Government Subsidy receivable by the Holding Company Rs 1,243.15 lakhs which pertains to the period prior to financial year 2016-17. The Holding Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Holding Company is confident that the said government subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.

b) Note 7 to the Statement which describes claims amounting to Rs 1,499.22 lakhs of export incentive receivable. The Holding Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 30 June 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued interim order and final order is awaited in this regard. The Holding Company is confident that final order of High Court will be issued in favour of manufacturers.

Our report is not modified in respect of the above matters.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These Statement has been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Statement that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS ★

measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Management and the Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.

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

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Statement made by the Management and Board of Directors.

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of the Management and Board of Directors' 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entity included in the Statement, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable

Other matters

a. The Statement include the audited financial statements of 12 subsidiaries, whose financial statements reflect Group's share of total assets (before consolidation adjustments) of Rs. 4,915.86 lakhs as at March 31, 2023, Group's share of total revenue (before consolidation adjustments) of Rs. Nil and Group's share of total net loss after tax (before consolidation adjustments) of Rs. (2,438.77) lakhs year ended March 31, 2023, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS ★

Our opinion on the Statement is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

b. The Statement include the unaudited financial statements of two foreign subsidiaries (including a stepdown subsidiary) which has not been audited and has not prepared financial results on going concern basis, whose financial statements reflect Group's share of total assets (before consolidation adjustments) of Rs. 26.38 lakhs as at March 31, 2023, Group's share of total revenue (before consolidation adjustments) of Rs. Nil and Group's share of total net loss after tax (before consolidation adjustments) of Rs. (110.80) lakhs the year ended March 31, 2023, as considered in the Statement. These unaudited financial statements have been approved and furnished to us by the Management and our opinion on the consolidated annual financial results, in so far as it relates to affairs of these subsidiary, is based solely on such unaudited financial statement. According to the information and explanations given to us by the Management, these financial statements are not material to the Group. (Refer Note 9 to the Statement)
Our opinion on the Statement is not modified in respect of the above matter with respect to the financial statements certified by the Board of Directors.

c. The Statement include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Mahesh C. Solanki & Co.
Chartered Accountants
ICAI Firm Registration No. 006228C

Mahesh Solanki

Digitally signed by Mahesh Solanki
DN: c=IN, st=Madhya Pradesh, 2.5.4.20=7eead90a76a306f62baf21bb8e0d9f720650720b6ea45af66c90ca311496f086, postalCode=452016, street=8 Mahadev Totla Nagar,Kanadia Road,Indore,Indore Kanadia Road,Indore,Indore, pseudonym=6a5720a88e9213715c7d0002b511a0b5, serialNumber=cd7905c1bbbe608245b7675e1892a172cfeee4ec9d75303fc4e8039ea6087a8a, title=5097, o=Personal, cn=Mahesh Solanki
Date: 2023.05.30 17:44:34 +05'30'

MAHESH C. SOLANKI & CO. ★ CHARTERED ACCOUNTANTS ★

Mahesh Solanki
Partner
Membership No.: 074991
UDIN: 23074991BGUWJY5742
Place: Indore
Date: 30 May 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA,
PITHAMPUR, DHAR, MP - 454775

FlexiTuff VENTURES

AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT March 31, 2023

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	As at 31 Mar 2023 (Audited)	As at 31 Mar 2022 (Audited)
A	**ASSETS**		
1)	**Non-current assets**		
	Property, plant and equipment	37,496.80	40,922.77
	Intangible assets	1,092.05	2,256.02
	Right-of-use assets	856.91	60.12
	Financial assets		
	- Investments	0.11	0.11
	- Other financial assets	859.84	1,152.26
	Deferred tax assets (net)	11,296.67	7,399.85
	Non-current tax assets (net)	149.32	192.12
	Other non-current assets	3.56	10.52
	Total non-current assets	**51,755.26**	**51,993.77**
2)	**Current assets**		
	Inventories	9,215.72	12,255.34
	Financial assets		
	- Trade receivables	17,321.38	23,038.62
	- Cash and cash equivalents	438.48	834.83
	- Bank balances other than cash and cash equivalents	793.11	480.70
	- Loans	488.88	166.33
	- Other financial assets	1,801.99	3,416.39
	Current tax assets (net)	177.01	300.48
	Other current assets	7,288.11	7,277.45
	Total current assets	**37,524.68**	**47,770.14**
	Total assets	**89,279.94**	**99,763.91**
B	**EQUITY AND LIABILITIES**		
1)	**Equity**		
	Equity share capital	2,688.28	2,488.28
	Other equity	(8,716.12)	2,504.51
	Non-controlling interest	(911.79)	(257.80)
	Total equity	**(6,939.65)**	**4,734.99**
	Liabilities		
2)	**Non-current liabilities**		
	Financial liabilities		
	- Borrowings	-	2,470.36
	- Lease liabilites	751.00	50.04
	Provisions	622.83	553.69
	Total non-current liabilities	**1,373.83**	**3,074.09**
3)	**Current liabilities**		
	Financial liabilities		
	- Borrowings	64,380.99	59,901.39
	- Lease liabilities	126.88	15.96
	- Trade payables		
	(a) Outstanding dues to micro enterprises and small enterprises	-	-
	(b) Outstanding dues to creditors other than micro enterprises and small enterprises	18,943.78	22,674.27
	- Other financial liabilities	8,720.59	7,601.65
	Provisions	20.91	23.30
	Other current liabilities	2,652.61	1,738.26
	Total current liabilities	**94,845.76**	**91,954.83**
	Total equity and liabilities	**89,279.94**	**99,763.91**

For Flexituff Ventures International Limited

SAURABH KALANI

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

AUDITED STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31 March 2023	**31 Dec 2022**	**31 March 2022**	**31 Mar 2023**	**31 Mar 2022**
		(Audited) (Refer note 13)	**(Unaudited)**	**(Audited) (Refer note 13)**	**(Audited)**	**(Audited)**
1	**Income**					
	Revenue from operations	18,401.13	22,543.87	24,236.74	91,529.83	1,04,169.52
	Other income	209.94	384.84	815.48	1,264.27	1,711.81
	Total income	**18,611.07**	**22,928.71**	**25,052.22**	**92,794.10**	**1,05,881.33**
2	**Expenses**					
	(a) Cost of materials consumed	11,568.81	11,993.51	15,250.37	53,311.01	63,492.40
	(b) Purchase of stock-in-trade	673.28	1,391.51	-678.44	2,246.15	802.39
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(1,351.29)	2,888.32	68.85	3,615.55	1,857.60
	(d) Employee benefits expense	4,293.84	4,511.41	4,491.06	17,539.27	18,770.38
	(e) Finance costs	1,734.69	1,782.39	1,762.22	7,010.36	6,682.93
	(f) Depreciation and amortisation expense	1,614.38	1,703.05	1,641.16	6,825.36	6,948.08
	(g) Other expenses	5,234.93	4,831.66	5,473.60	18,735.26	17,909.80
	Total expenses	**23,768.64**	**29,101.85**	**28,008.82**	**1,09,282.96**	**1,16,463.58**
3	**Profit / (Loss) before tax (1-2)**	**(5,157.57)**	**(6,173.14)**	**(2,956.60)**	**(16,488.86)**	**(10,582.25)**
4	**Tax expense / (credit)**					
	(a) Current tax	(0.53)	-	34.14	-0.53	34.14
	(b) MAT charge of previous year	-	-	-	-	-
	Less: MAT credit entitlement of previous year	-	-	-	-	-
	(c) Income Tax charge / (credit) for previous years	-	33.61	(13.95)	-	456.01
	(d) Deferred tax charge / (credit)	(3,149.43)	(399.13)	(91.98)	(3,867.92)	(2,399.38)
	Tax expense / (credit)	**(3,149.96)**	**(365.52)**	**(71.79)**	**(3,868.45)**	**(1,909.23)**
5	**Net Profit / (Loss) for the period / year after tax (3-4)**	**(2,007.61)**	**(5,807.62)**	**(2,884.81)**	**(12,620.41)**	**(8,673.02)**
6	**Profit / (Loss) for the period / year attributable to:**					
	Equity holders of the parent	(2,188.31)	(5,054.66)	(2,920.14)	(11,966.43)	(8,683.07)
	Non-controlling interest	180.70	(752.96)	35.33	(653.98)	10.05
7	**Other comprehensive income / (loss)**					
	Items that will not be reclassified to profit or loss					
	(a) Remeasurements of the net defined benefit plans	(9.25)	6.23	17.66	9.42	24.89
	(b) Income tax effect on above	2.88	(1.94)	(5.51)	(2.94)	(7.77)
	Items that will be reclassified to profit or loss					
	(a) Exchange differences on translation of foreign operations	(108.33)	-	(1.27)	(102.08)	(0.62)
	(b) Income tax effect on above	33.80	-	0.39	31.85	0.19
	Total Other comprehensive income/(loss)	**(80.90)**	**4.29**	**11.27**	**(63.75)**	**16.69**

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

FlexiTuff VENTURES

AUDITED STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(Rupees in lakhs, unless otherwise stated)

		Quarter Ended			Year Ended	
Sr.No.	**Particulars**	**31 March 2023**	**31 Dec 2022**	**31 March 2022**	**31 Mar 2023**	**31 Mar 2022**
		(Audited) (Refer note 13)	**(Unaudited)**	**(Audited) (Refer note 13)**	**(Audited)**	**(Audited)**
8	**Other comprehensive income/(loss) attributable to:**					
	Equity holders of the parent	(80.90)	4.29	11.27	(63.75)	16.69
	Non-controlling interest	-	-	-	-	-
9	**Total comprehensive income / (loss) (5+7)**	**(2,088.51)**	**(5,803.33)**	**(2,873.54)**	**(12,684.16)**	**(8,656.33)**
10	**Total comprehensive income / (loss) attributable to:**					
	Equity holders of the parent	(2,269.21)	(5,050.37)	(2,908.87)	(12,030.18)	(8,666.38)
	Non-controlling interest	180.70	(752.96)	35.33	(653.98)	10.05
11	**Paid-up equity share capital (Face value of Rs. 10/- each)**	**2,688.28**	**2,488.28**	**2,488.28**	**2,688.28**	**2,488.28**
12	**Other equity and Non-controlling interest**				**-9,627.91**	**2,246.71**
13	**Earnings per share (of Rs. 10/- each) [in Rs.]:**					
	Basic & Diluted (Refer Note 11)	(8.79)	(20.31)	(11.74)	(48.05)	(34.90)

For Flexituff Ventures International Limited

SAURABH KALANI

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in lakhs, unless otherwise sta

Particulars	Year Ended	
	31 Mar 2023	**31 Mar 2022**
	(Audited)	**(Audited)**
Cash flows from operating activities		
Profit / (Loss) before tax	(15,488.86)	(10,582.25)
Adjustments for:		
Depreciation and amortization expenses	6,825.36	6,948.08
Interest and finance charges	7,010.36	6,682.93
Interest income	(99.26)	(168.81)
Amortisation of Government Grants	-	(225.81)
Liabilities written back	(0.81)	(20.10)
Provision no longer requried written back	-	(566.63)
Provision for impairment for interest income on loans to related parties	-	-
Provision for doubtful debts	1,881.80	1,756.83
(Profit)/Loss on sale of property, plant & equipment (net)	9.67	278.97
Unrealized foreign exchange loss / (gain) (net)	137.64	(141.04)
Defined benefits reclassified to OCI	6.48	17.12
Foreign Currency Translation Reserve	(70.23)	(0.43)
Operating profit / (loss) before working capital changes	**212.15**	**3,978.86**
Changes in working capital		
Increase/(decrease) in trade payables	(3,732.75)	(1,196.41)
Increase/(decrease) in other liabilities	915.16	697.03
Increase/(decrease) in other financial liabilities	(732.01)	924.02
Increase/(decrease) in provisions	66.75	56.16
Decrease/(increase) in trade receivables	2,700.06	(2,122.22)
Decrease/(increase) in inventories	3,039.62	2,952.94
Decrease/(increase) in other assets	(3.69)	1,670.91
Decrease/(increase) in other financial assets	1,911.12	(79.48)
Decrease/(increase) in Loans	(322.55)	(6.69)
Decrease/(increase) in other cash and cash equivalents	(312.41)	773.19
Cash generated from operations	**3,741.45**	**7,648.31**
Income tax paid	137.90	(5.29)
Net cash inflows from operating activities (A)	**3,879.35**	**7,643.02**
Cash flows from Investing activities		
Payments for property, plant and equipment and intangible assets (net)	(168.35)	(280.43)
Receipts of Government Grants	-	-
Interest received	94.96	173.60
Net proceeds from fixed deposits (having original maturity of more than 12 months)	-	(140.95)
Net cash outflow from investing activities (B)	**(73.39)**	**(247.78)**
Cash flows from Financing activities		
Net proceeds repayment from borrowings	(10.83)	(461.24)
Principal elements of lease payments	(41.58)	(20.23)
Interest and finance charges paid	(5,255.10)	(6,642.04)
Proceeds from Issue of Shares warrants	475.20	-
Proceeds from Issue of Shares	630.00	-
Net cash outflow from financing activities (C)	**(4,202.31)**	**(7,123.51)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(396.35)**	**271.73**
Cash and cash equivalents at the beginning	834.83	563.10
Cash and cash equivalents at the end	**438.48**	**834.83**
Cash and cash equivalents comprise		
Balances with banks in current accounts	149.25	323.52
Fixed deposits with maturity of less than 3 months	262.77	472.50
Cash on hand	26.46	38.81
Total	**438.48**	**834.83**

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

For Flexituff Ventures International Limited

SAURABH KALANI

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

FLEXITUFF VENTURES INTERNATIONAL LIMITED
CIN – L25202MP1993PLC034616
Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775

NOTES TO AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

1) The above audited consolidated financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 May 2023. These audited consolidaed financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
The Statement of financial results for the quarter and year ended March 31, 2023 of Flexituff Ventures International Limited and its subsidiaries (together referred to as 'Group'), have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2023. The Statutory Auditors have expressed a modified opinion on these results.

2) As on March 31, 2023 the Parent Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs. 3,828.34 lakhs and Rs. 2,300.77 lakhs respectively to financial institutions (The interest default cited here is net of TDS (as applicable).

As on March 31, 2023 the Parent Company has defaulted in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs. 18,499.50 lakhs and Rs. 7,054.51lakhs respectively and also defaulted in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs. 7,399.80 lakhs. Interest accrued and payable to IFC amounts to Rs. 2,275.05 lakhs. (The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 6 below).

The Parent Company has devolved Letter of Credit issued by banks and such devolvement has resulted in over utilisation of cash credit facilities Rs. Rs. 17,493.73 lakhs (including interest) as on March 31, 2023, based on drawing power sanctioned by banks in by March 2023.

3) The Parent Company has incurred net losses of Rs. 10,450.27 lakhs during the year ended March 31, 2023 and has a net current liability position of Rs. 54,576.37 lakhs as on that date. Further, in respect of certain loan arrangements for which the amounts have fallen due as mentioned in Note 2 above; the Parent Company is pursuing with its lenders for restructuring of loans through an Inter Creditor Agreement. Consequently, the Parent Company's ability to meet its obligations is dependent on restructuring of loans. The Parent Company will also require further financing to sustain its operations in the normal course of business for which the Parent Company is also contemplating monetisation of certain assets. These events along with other conditions cast significant doubt on the ability of the Parent Company to continue as a going concern. The Parent Company is confident that such cash flows would enable it to service its debt and discharge its obligations. Accordingly, these results have been prepared on a going concern basis.

4) The Parent Company is carrying deferred tax asset of Rs. 11,296.67 lakhs (including MAT credit of Rs. 2,797.69 lakhs) as on March 31, 2023. Management is reasonably certain that the Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset and MAT credit within the time limit prescribed under the Income Tax Act, 1961. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax assets.

5) The Parent Company is in the process of approaching TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for restructuring its loan and envisages that the lenders shall forgo the interest charge (including penal interest) on its loans for the period April 1, 2019 to March 31, 2023.

Accordingly, the Parent Company has not accrued interest amounting to Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs.1,714.41 lakhs and Rs. 1,832.91 lakhs for the years ended March 31, 2021, March 31, 2022, March 31, 2021 and March 31, 2020 respectively. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2023 amounts to Rs 8,304.18 lakhs.

6) Tuff Subsidy and Government Subsidy receivable by the Parent Company Rs 1,243.15 lacs which pertains to the period prior to financial year 2016-17. The Parent Company is pursuing with respective banks and Ministry of Textiles through a Consultant. The Parent Company is confident that the said government subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.

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FlexiTuff VENTURES

NOTES TO AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

7) Claims amounting to Rs 1,499.22 lakhs of export incentives are receivable by the Parent Company. The Parent Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 30 June 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. FIBC manufacturer association (IFIBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued interim order and final order is awaited in this regard. The Parent Company is confident that final order of High Court will be issued in favour of manufacturers.

8) Two foreign subsidiaries, "Flexiglobal Holding Limited, Cyprus" and "Flexiglobal (UK) Limited, United Kingdom (step-down subsidiary)" , has not prepared their financial results on going concern basis (as considered in these Consolidated Financial Results) as the members has intention of liquidation through Members' voluntary winding up. These subsidiaries are not material to the Group.

9) The Parent Company has made preferential allotment of 20,00,000 equity shares of Rs 10 each, fully paid at a premium of Rs 21.50 each share during the year and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year.

10) The Group is engaged in only one Segment viz. Technical Textile. As such there is no separate reportable segment as per Ind AS 108 "Operating Segment"

11) The Group has incurred a loss for the quarter and year ended 31 March 2023 and accordingly, the effect of potential equity shares to be issued would be antidilutive.

12) Previous period's / year's figures have been re-grouped wherever necessary to correspond with the current period's figures.

13) The figures for the last quarter are balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective fianncial year.

For Flexituff Ventures International Limited

SAURA
BH
KALANI

Digitally signed by SAURABH KALANI
DN: c=IN, postalCode=452018, st=MADHYA PRADESH, street=INDORE, l=INDORE, o=Personal, serialNumber=3d02c4dbc5fd2a4e38c935cfe8bee0746f9dd4cce3fbdd885b8cd311e2d2ee19, pseudonym=049402112c2149daacae599949b6b9ad, 2.5.4.20=510b9c620664380e826be4ee38046e43dd6c641c179908536e31320e53c80745, email=SUSHMA@FLEXITUFF.COM, cn=SAURABH KALANI
Date: 2023.05.30 18:07:53 +05'30'

FLEXITUFF VENTURES INTERNATIONAL LIMITED

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

Saurabh Kalani
Whole Time Director
(DIN: 00699380)
Place : Pithampur
Date : May 30, 2023

Statement on Impact of Audit Qualifications (for audit report with modified opinion) Submitted along-with Annual Audited Financial Results-Consolidated

Statement on impact of Audit Qualifications for the financial year ended March 31, 2023 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016] Consolidated				
I.	**Sl.**	**Particulars**	**Adjusted Figures (Rs. In Lakhs) (as reported before adjusting for qualifications)**	**Adjusted Figures (Rs. In Lakhs) (audited figures after adjusting for qualifications)**
	1.	Total Income	92,794.10	92,794.10
	2.	Total Expenditure	1,09,282.96	1,17,587.14
	3.	Net Profit/(Loss) after taxes	(11,966.43)	(31,567.28)
	4.	Earnings/(Loss) Per Share	(-48.05)	(126.75)
	5.	Total Assets	89,279.94	77,983.27
	6.	Total Liabilities	96,219.59	1,04,523.77
	7.	Net Worth	(6,939.65)	(26,540.50)
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer Material Uncertainty with respect to Going Concern Paragraph in the Auditors Report.	
II.	**Audit Qualification (each audit qualification separately)**			
	a.	Audit Qualifications		

i. The Holding Company has recognized deferred tax asset (net) of 11,296.67 lakhs on its carried forward accumulated losses (including unabsorbed depreciation) and other temporary differences. In accordance with Ind AS 12 on Income Taxes, a deferred tax asset shall be recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Due to the financial difficulties experienced by the Holding Company as stated in Note 2 to the Statement and significant uncertainty stated in Note 3 to the Statement, we are unable to comment on the recoverability of deferred tax asset and consequential impact, if any, on the consolidated annual financial results. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2023 would have been higher by 11,296.67 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement)

ii. The Holding Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 30,239.33 lakhs as at 31 March 2023 comprising of tangible and intangible assets. The Holding Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Holding Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 to the Statement in respect of the Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

		comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU. iii. The Holding Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended 31 March 31 2020; Rs 1714.41 lakhs for the year ended 31 March 2021; Rs 2,030.70 lakhs for the year ended 31 March 2022 and Rs 2,726.16 lakhs for the year ended 31 March 2023 respectively on loans outstanding to certain lenders; this constitutes departure from the accrual basis of accounting stipulated under Ind AS 1 - Presentation of Financial Statements. Accordingly, interest due to lenders (gross of TDS deduction), the interest cost and loss for the year ended 31 March 2023, for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 is understated by Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs. 1714.41 lakhs and 1832.91 lakhs respectively. In the absence of sufficient appropriate review evidence, we are unable to comment upon the consequential impact, if any that may arise from this matter. (Refer Note 5 to the Statement).
	b.	Type of Audit Qualification: Qualified Opinion
	c.	Frequency of qualification: The qualification mentioned above in II (a) (i) and (ii) is repetitive and continuing since Limited Review for the quarter and nine months ended December 31, 2019. The qualification mentioned in II (a) (iii) is repetitive and continuing since the year ended March 31, 2020.
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Management views for qualification mentioned in II (a) (i) above: The Parent Company is carrying deferred tax asset aggregating to Rs. 11,296.67 lakhs. Management is reasonably certain that the Parent Company will earn sufficient taxable profit in future to utilise the Deferred Tax Asset (including MAT Credit) within the time limit prescribed under the Income Tax Act, 1961. Management believes that they are very close to having a complete solution for the Parent Company's debt overhang. The management is negotiating with various investors and all its lenders for one-time settlement of the term loans. This settlement will happen at a steep discount to the original value. On account of the steep discount, enough profit would be generated which will set off the entire brought forward losses. Once the solution happens, the Parent Company has the ability to generate profit in excess of Rs. 50 crore per year which will enable the Parent Company to utilize deferred tax in the period available to the parent company easily. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax recognised. Management views for qualification mentioned in II (a) (iii) above: The Parent Company is in the process of approaching TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its loan and envisages that the lenders shall forgo the interest charge (including penal interest) on its loans for the period April 1, 2019 to March 31, 2023. Accordingly, the Parent Company has not accrued interest amounting to Rs 2726.16 Rs 2,030.70 lakhs, Rs. 1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2023, for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.

MAHESH C. SOLANKI & CO. CHARTERED ACCOUNTANTS

<table>
<tr>
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<td>e.</td>
<td>For Audit Qualification(s) where the impact is not quantified by the auditor:
Management views for qualification mentioned in II (a) (ii) above is explained below:

(i) Management's estimation on the impact of audit qualification:
According to Management's estimates and assumptions on the projections for Kashipur CGU; the present value of the future cash flows expected to be derived from Kashipur CGU is higher than its carrying value as on March 31, 2023. Thus, in the view of Management, there is no requirement for accounting any impairment loss.

(ii) If management is unable to estimate the impact, reasons for the same:
Not Applicable

(iii) Auditors' Comments on (i) or (ii) above: ii.

The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 30,239.33 lakhs as at 31 March 2023 comprising of tangible and intangible assets. The Parent Company has performed an impairment assessment of the CGU as required under Ind AS 36 – Impairment of Assets. The Parent Company is undergoing financial difficulties as stated in Note 2 to the Statement and there is significant uncertainty as cited in Note 3 to the Statement in respect of the Parent Company's plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and normalize its operations. We are unable to comment on the appropriateness of the assumptions for the projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU.</td>
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<table>
<tr><td colspan="3">III. Signatories:</td></tr>
<tr>
<td>Whole Time Director

SAURABH KALANI

Saurabh Kalani
Place : Pithampur
Date : May 30, 2023</td>
<td>Chairman of Audit Committee

ANIRUDH CHITTARANJAN SONPAL Digitally signed by ANIRUDH CHITTARANJAN SONPAL

Anirudh Sonpal
Place : Vadodara
Date : May 30, 2023</td>
<td>Chief Financial Officer

Ramesh Chand Sharma

Ramesh Chand Sharma
Place : Pithampur
Date : May 30, 2023</td>
</tr>
<tr>
<td colspan="3">For Mahesh C. Solanki & Co.
Chartered Accountants
ICAI Firm Registration No. 006228C

Mahesh Solanki Digitally signed by Mahesh Solanki Date: 2023.05.30 19:02:17 +05'30'

Mahesh Solanki
Partner
Membership No. 074991
UDIN: 23074991BGUWJY5742
Place : Indore
Date : May 30, 2023</td>
</tr>
</table>