



**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

30<sup>th</sup> May, 2024

<b>To,</b> <b>The Manager (Listing Centre)</b> <b>BSE Limited</b> <b>25<sup>th</sup> Floor, P.J. Towers, Dalal Street,</b> <b>Mumbai-400 001</b>	<b>To,</b> <b>The Manager - Corporate Compliance</b> <b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, BandraKurla Complex,</b> <b>Bandra (East), Mumbai- 400 051</b>
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**REF: Flexituff Ventures International Limited (ISIN - INE060J01017), BSE Code-533638, NSE Scrip- FLEXITUFF**

**Sub: Outcome of Board Meeting**

Dear Sir/Madam,

With reference to the captioned subject, we would like to inform you that the Board of Directors at their meeting held on Tuesday, 30<sup>th</sup> May, 2024, *inter alia*, have considered the following :-

1. Audited Standalone and Consolidated Financial Results for the quarter & financial year ended 31<sup>st</sup> March, 2024.
2. Auditors' Report on Audited Standalone and Consolidated Financial Results for the quarter & financial year ended 31<sup>st</sup> March, 2024.

The Board meeting commenced at 06:30 P.M. and concluded at 09: 30 P.M

This is for your information and needful.

Thanking you,

**For Flexituff Ventures International Limited**

**RISHABH  
KUMAR JAIN**

Digitally signed by RISHABH KUMAR JAIN  
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KURANA 452016, l=INDORE, o=Personal, title=BSO1,  
serialNumber=3806426395ae1da10c1a090c344328887111988d  
30c5d4f7c2046c2b99a172, pseudonym=85170220102130455836,  
2.54.20+442b7063b3f3a1b09ff920e436f9865a9416e68d9f4a  
c0903388d47046, email=GANDELIYA.RISHABH@GMAL.COM,  
cn=RISHABH KUMAR JAIN  
Date: 2024.05.30 21:54:04 +05'30'

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

**Report on the audit of Standalone Annual Financial Results of Flexituff Ventures International Limited for the year ended 31 March 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended**

**The Board of Directors**  
**Flexituff Ventures International Limited**

**Qualified Opinion**

1. We have reviewed the accompanying statement of audited standalone financial results of Flexituff Ventures International Limited (hereinafter referred to as ‘the Company’) for the year ended 31 March 2024 (‘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 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 income and other financial information for the year ended 31 March 2024.

**Basis for Qualified Conclusion**

We draw attention to the following matters:

- a) The Company has recognized deferred tax asset (net) of ₹ 18510.89 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 2024 would have been higher by ₹ 18510.89 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 ₹ 26264.20 lakhs as at 31 March 2024 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.

- c) The Company has Tuff Subsidy and Government Subsidy receivable amounting to ₹ 690.34 lakhs which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same. (Refer Note 6 to the Statement).
- d) The Company has claims amounting to ₹ 1,035.24 lakhs of export incentive receivable. We are unable to comment on the recoverability of the same. (Refer Note 7 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.

#### **Emphasis of Matters**

- e) We draw attention to

The Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation (“lenders”) for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30th April, 2024 and 29th April, 2024 respectively (Refer note 2 to the Statement).

The Company has not accrued interest amounting to ₹ 2,387.47 lakhs, ₹ 2,726.16 lakhs, ₹ 2,030.70 lakhs, ₹ 1,714.41 lakhs and ₹ 1,832.91 lakhs for the year ended March 31, 2024, 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. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to ₹ 10,691.66 lakhs. This amount of ₹ 10,691.66 Lakhs has been waived by FCCB's holders. (Refer Note 5 to the Statement).

Our report is not modified in respect of this matter.

#### **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 ₹ 18,508.81 lakhs during the year ended March 31, 2024 and has a net current liability position of ₹ 74,163.91 lakhs as on that date and describes certain loans in default for which the Company has entered into a one - time settlement with FCCB’s holders. Further, the Company’s ability to meet its future obligations is dependent on successful implementation of the restructuring agreement. These conditions indicate significant doubt on the Company’s ability to continue as going concern. The Company is in the process of implementing restructuring agreement. 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.

## **Management's and Board of Director's 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 an absolute assurance 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 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 Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

#### Other Matter

The Statement include the results for the quarter ended 31 March 2024 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 review by us.

#### For Mahesh C. Solanki & Co.

Chartered Accountants

ICAI Firm Registration No. 006228C

**Mahesh Solanki**

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**Mahesh Solanki**

Partner

Membership No.: 074991

UDIN: 24074991BKEFII4541

Place: Indore

Date: 30 May 2024

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	As at	
		31 Mar 2024	31 Mar 2023
		(Audited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
1)	<b>Non-current assets</b>		
	Property, plant and equipment	33,505.64	37,495.47
	Intangible assets	212.52	1,092.05
	Right-of-use assets	845.77	856.91
	Investments in subsidiaries	61.51	4.91
	Financial assets		
	- Investments	0.11	0.11
	- Other financial assets	564.62	859.84
	Deferred tax assets	18,510.89	11,296.67
	Non-current tax assets (net)	371.50	149.32
	Other non-current assets	3.05	3.56
	<b>Total non-current assets</b>	<b>54,075.61</b>	<b>51,758.84</b>
2)	<b>Current assets</b>		
	Inventories	9,077.81	9,202.15
	Financial assets		
	- Trade receivables	12,881.71	20,048.76
	- Cash and cash equivalents	9,932.01	297.74
	- Bank balances other than cash and cash equivalents	939.97	793.11
	- Loans	2,887.83	2,557.08
	- Other financial assets	1,223.19	1,040.73
	Current tax assets (net)	113.80	177.01
	Other current assets	3,947.92	6,126.57
	<b>Total current assets</b>	<b>41,004.24</b>	<b>40,243.15</b>
	<b>Total assets</b>	<b>95,079.85</b>	<b>92,001.99</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1)	<b>Equity</b>		
	Equity share capital	3,070.41	2,688.28
	Other equity	(24,982.57)	(6,879.64)
	<b>Total equity</b>	<b>(21,912.16)</b>	<b>(4,191.36)</b>
	<b>Liabilities</b>		
2)	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	-	-
	- Lease liabilities	723.36	751.00
	Provisions	1,100.50	622.83
	Deferred tax liabilities (net)		
	<b>Total non-current liabilities</b>	<b>1,823.86</b>	<b>1,373.83</b>
3)	<b>Current liabilities</b>		
	Financial liabilities		
	- Borrowings	64,097.13	64,381.01
	- Lease liabilities	194.01	126.88
	- Trade payables		
	(a) Outstanding dues to micro enterprises and small enterprises	1,478.82	
	(b) Outstanding dues to creditors other than micro enterprises and small enterprises	15,302.64	18,980.45
	- Other financial liabilities	9,162.92	8,728.35
	Provisions	29.27	20.36
	Other current liabilities	24,903.36	2,582.47
	<b>Total current liabilities</b>	<b>1,15,168.15</b>	<b>94,819.52</b>
	<b>Total equity and liabilities</b>	<b>95,079.85</b>	<b>92,001.99</b>

For Flexituff Ventures International Limited

Rahul Chouhan  
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Digitally signed by Rahul Chouhan  
 DN: cn=Rahul Chouhan, o=FLEXITUFF VENTURES INTERNATIONAL LIMITED, email=rahul.chouhan@flexituffventures.com, c=IN



Rahul Chouhan  
 Whole Time Director  
 (DIN: 03307553)  
 Place : Pithampur  
 Date : May 30, 2024



FLEXITUFF VENTURES INTERNATIONAL LIMITED

CIN – L25202MP1993PLC034616

Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775



AUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rupees in lakhs, unless otherwise)

Particulars	Year Ended	Year Ended
	31 March 2024	31 March 2023
	(Audited)	(Audited)
<b>Cash flows from operating activities</b>		
(Loss) before tax	(25,668.43)	(14,350.04)
Adjustments for:		
Depreciation and amortization expenses	5,931.87	6,825.13
Interest and finance charges	8,458.34	6,979.70
Interest income	(347.76)	(353.40)
Liabilities written back	(0.02)	(0.81)
Provision for doubtful debts/advances	1,629.37	1,881.80
(Profit)/Loss on sale of property, plant & equipment (net)	-	9.67
Unrealized foreign exchange loss / (gain) (net)	(33.23)	104.92
Provision for retirement benefits	(110.00)	6.48
Provision for interest income on loans to related parties	410.44	413.08
<b>Operating (loss) / profit before working capital changes</b>	<b>(9,729.42)</b>	<b>1,516.53</b>
<b>Changes in working capital</b>		
(Decrease) in trade payables	(2,201.08)	(3,147.19)
Increase in other liabilities	3,436.85	942.03
Increase/(decrease) in other financial liabilities	19,134.23	(617.89)
Increase in provisions	486.58	66.20
Decrease in trade receivables	5,573.01	3,296.34
Decrease in inventories	124.34	902.55
Decrease in other assets	2,179.16	494.91
Decrease in other financial assets	121.49	253.95
(Decrease) in Loans	(741.19)	(19.74)
(Decrease) in other cash and cash equivalents	(146.87)	(312.41)
<b>Cash generated from operations</b>	<b>18,237.10</b>	<b>3,375.28</b>
Income tax paid	(213.57)	160.02
<b>Net cash inflows from operating activities (A)</b>	<b>18,023.53</b>	<b>3,535.30</b>
<b>Cash flows from Investing activities</b>		
Payments for property, plant and equipment and intangible assets (net)	(483.87)	(168.35)
Interest received	339.02	349.09
Payments for purchase of Investments	(56.60)	-
<b>Net cash flow from investing activities (B)</b>	<b>(201.45)</b>	<b>180.74</b>
<b>Cash flows from Financing activities</b>		
Net repayment of Borrowings	(647.33)	(10.83)
Principal elements of lease payments	(164.55)	(41.58)
Interest and finance charges paid	(8,273.93)	(5,224.44)
Proceeds from issue of share warrants	169.50	475.20
Proceeds from issue of shares	728.50	630.00
<b>Net cash outflow from financing activities (C)</b>	<b>(8,187.81)</b>	<b>(4,171.65)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>9,634.27</b>	<b>(455.61)</b>
Cash and cash equivalents at the beginning	297.74	753.37
Cash and cash equivalents at the end	<b>9,932.01</b>	<b>297.76</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks in current accounts	9,861.46	16.73
Fixed deposits with maturity of less than 3 months	39.50	262.75
Cash on hand	31.05	18.26
<b>Total</b>	<b>9,932.01</b>	<b>297.74</b>

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

Rahul  
Chouhan

Rahul Chouhan  
Whole Time Director  
(DIN: 03307553)  
Place : Pithampur  
Date : May 30, 2024





**NOTES TO AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024**

- 1) The 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 2024. 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, 2024, the Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs 3,594.19 lakhs and Rs. 2,739.60 lakhs respectively to IFCI LTD (The interest default cited here is net of TDS (as applicable). Loan of IFCI Ltd has been assigned to Phoenix ARC Private Limited on 19th April, 2024 vide confirmation letter dated 22nd April, 2024.

As on March 31, 2024, the Company was in default in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs 18,759.13 lakhs and Rs 8,853.31 lakhs respectively and also was in default in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs 7,503.65 lakhs. Interest accrued and payable to IFC amounts to Rs. 2,863.73 lakhs. The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 5 below.

As per correspondence with TPG Growth II SF Pte. Ltd. dated 15 February 2024, the Company has entered into a one time settlement of the FCCBs and waiver of interest. Settlement amount was payable on or before 31 March 2024. Time line for payment further extended upto 30th April, 2024 and the Company has paid settlement amount on 30th April, 2024.

IFC has also agreed for a one time settlement of the FCCB and waiver of interest, Settlement amount was payable by 15th February 2024. This time line further extended upto 30th April, 2024. The Company has paid settlement amount on 29th April, 2024. As per the correspondence with IFC, the Company has received no dues certificate dated 8 May 2024.

Total gain to the company on one time settlement of principal amount of FCCBs is USD 21.42 Million.

The Company has devolved Letter of Credit issued by banks and such devolvement has resulted in over utilisation of cash credit facilities by Rs 21,969.20 lakhs (including interest) as on March 31, 2024, based on drawing power sanctioned by banks in the month of February 2024.

- 3) The Company has incurred net losses of Rs 18,508.81 lakhs during the year ended March 31, 2024 and has a net current liability position of Rs 74,163.91 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 has entered into settlement agreements 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 18,510.89 lakhs (including MAT credit of Rs. 2,797.69 lakhs) as on March 31, 2024. 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 has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation ("lenders") for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30th April, 2024 and 29th April, 2024 respectively (Refer note 2 above).

The Company has not accrued interest amounting to Rs 2,387.47 lakhs, Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs 1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2024, 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.

The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to Rs 10,691.66 lakhs. This amount of Rs 10,691.66 Lakhs has been waived by FCCB's holders.

- 6) Tuff Subsidy receivable by the Company of Rs 690.34 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 Tuff 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 1,035.24 lakhs of export incentives were receivable by the Company. The Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29th January 2020. Government of India has withdrawn this scheme with retrospective that is from 7 March 2019. FIBC manufacturer association (IFBCA) has challenged retrospective withdrawal of incentive scheme by the Government before Hon'ble High Court, New Delhi. The Hon'ble High Court has issued order in favour of the association. (IFBCA). The Company has applied offline to DGFT for MEIS script.

- 8) The Company had executed Business Transfer Agreement (BTA) with its subsidiary company, Flexituff Technology International Limited on 28 August 2023 for sale of Flexible Intermediate Bulk Container (FIBC) business of Pithampur units of the Company. The sale is completed on 30 April 2024 via slump sale for a lump sum consideration of Rs. 319.00 Crores (Rupees Three Hundred Nineteen Crores only) on the terms and conditions outlined in the BTA.

- 9) 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'.

- 10) 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 and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31 March 2023. Further, the Company has made preferential allotment of 38,21,276 equity shares of Rs 10 each, at a premium of Rs.21.50 each share during the year ended 31 March, 2024.

- 11) The Company has incurred a loss for the quarter and year ended 31 March 2024 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 financial year.

For Flexituff Ventures International Limited

Rahul  
Chouhan  
Rahul Chouhan  
Whole Time Director  
(DIN: 03307553)  
Place : Pithampur  
Date : May 30, 2024



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

<b>Statement on impact of Audit Qualifications for the financial year ended March 31, 2024</b>				
<b>[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016] Standalone</b>				
<b>I.</b>	<b>Sl.</b>	<b>Particulars</b>	<b>Adjusted Figures (₹ In Lakhs) (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (₹ In Lakhs) (audited figures after adjusting for qualifications)</b>
	1.	Total Income	60,643.12	60,643.12
	2.	Total Expenditure	86,311.55	88,037.13
	3.	Net Profit/(Loss) after taxes	(18,508.81)	(27,398.73)
	4.	Earnings/(Loss) Per Share	(64.70)	(45.69)
	5.	Total Assets	95,079.85	74,843.38
	6.	Total Liabilities	1,16,992.01	1,16,992.01
	7.	Net Worth	(21,912.16)	(42,148.63)
	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.	
<b>II.</b>	<b>Audit Qualification (each audit qualification separately)</b>			
	a.	Audit Qualifications		
		<p>i. The Company has recognized deferred tax asset (net) of ₹ 18,510.89 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 2024 would have been higher by ₹ 18,510.89 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement).</p> <p>ii. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹ 26,264.20 lakhs as at 31 March 2024 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</p>		

		<p>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.</p> <p>iii. The Company has Tuff Subsidy and Government Subsidy receivable amounting to ₹ 690.34 lakhs which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same.</p> <p>iv. The Company has claims amounting to ₹ 1,035.24 lakhs of export incentive receivable. We are unable to comment on the recoverability of the same.</p>
	b.	Type of Audit Qualification: Qualified Opinion
	c.	<p>Frequency of qualification:</p> <p>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.</p> <p>This qualification mentioned in II (a) (iii) and (iv) is included during the year ended March 31, 2024.</p>
	d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Management views for qualification mentioned in II (a) (i) above:</p> <p>The Company is carrying deferred tax asset aggregating to ₹ 18,510.89 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. Company has entered in Business Transfer Agreement to repay their existing loans and meet their working capital requirements which in turn will lead to profits in the Company. 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.</p> <p>Management views for qualification mentioned in II (a) (iii) above:</p> <p>Tuff Subsidy and Government Subsidy receivable by the Company ₹ 690.34 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 Tuff Subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.</p> <p>Management views for qualification mentioned in II (a) (iv) above:</p> <p>Claims amounting to ₹ 1,035.24 lakhs of export incentives were receivable by the Company. The Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29th January 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 order in favor of the association. (IFIBCA). The Company has applied offline to DGFT for MEIS script.</p>
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:

	<p>Management views for qualification mentioned in II (a) (ii) above is explained below:</p> <ol style="list-style-type: none"> <li>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, 2024. Thus, in the view of Management, there is no requirement for accounting any impairment loss.</li> <li>ii. If management is unable to estimate the impact, reasons for the same: Not Applicable</li> <li>iii. Auditors' Comments on (i) or (ii) above: ii.</li> </ol> <p>The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹ 26,264.20 lakhs as at 31 March 2024 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.</p>
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### III. Signatories:

Whole Time Director

**Rahul  
Chouhan**

Digitally signed by Rahul Chouhan  
DN: c=IN, o=Personal, title=5097,  
pseudonym=VwvFL5MuozZrnOP  
0156RQ2hY055iuDQ,  
2.5.4.20=7eead90a76a306f62baf  
21bbe0d9f720650720b6ea45af  
66c90ca311496f086,  
postalCode=452016, st=Madhya  
Pradesh,  
serialNumber=c7905c1bbbe608  
245b7675e1892a172fcee4ec9d7  
5303fc4e8039ea6087a8a,  
cn=Mahesh Solanki

Rahul Chouhan  
Place : Pithampur  
Date : May 30, 2024

Chairman of Audit Committee

**ANIRUDH  
CHITTARANJAN  
SONPAL**

Digitally signed by  
ANIRUDH  
CHITTARANJAN  
SONPAL

Anirudh Sonpal  
Place : Vadodara  
Date : May 30, 2024

Chief Financial Officer

**RAMESH CHAND  
SHARMA**

Digitally signed by RAMESH CHAND SHARMA  
DN: c=IN, o=Personal, postalCode=452001,  
st=Madhya Pradesh,  
serialNumber=C0F13343D33AE3D240692895AAB8  
D0E0778A10846146E2086C2AACAD7D478D,  
cn=RAMESH CHAND SHARMA  
Date: 2024.05.30 21:05:24 +05'30'

Ramesh Chand Sharma  
Place : Pithampur  
Date : May 30, 2024

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

**Mahesh  
Solanki**

Digitally signed by Mahesh  
Solanki  
DN: c=IN, o=Personal, title=5097,  
pseudonym=VwvFL5MuozZrnOP  
0156RQ2hY055iuDQ,  
2.5.4.20=7eead90a76a306f62baf  
21bbe0d9f720650720b6ea45af  
66c90ca311496f086,  
postalCode=452016, st=Madhya  
Pradesh,  
serialNumber=c7905c1bbbe608  
245b7675e1892a172fcee4ec9d7  
5303fc4e8039ea6087a8a,  
cn=Mahesh Solanki



Mahesh Solanki  
Partner  
Membership No. 074991  
UDIN: 24074991BKEFII4541  
Place : Indore  
Date : May 30, 2024

**Review Report on the Audited Consolidated Annual financial results of Flexituff Ventures International Limited for the year ended 31 March 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

**The Board of Directors  
Flexituff Ventures International Limited**

**Qualified Opinion**

We have reviewed the accompanying statement of audited consolidated financial results of Flexituff Ventures International Limited (hereinafter referred to as ‘the Holding Company’), its subsidiaries, (the Holding Company and its fifteen subsidiaries together referred to as ‘the Group’) for the year ended 31 March 2024 (‘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 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:

- 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 (formerly known as Flexituff FIBC 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
15)	Flexituff DIRD JV	Subsidiary

*# reckoned as subsidiary on the basis of control*

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- 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 2024.

### **Basis for Qualified Conclusion**

1. We draw attention to the following matters:

- I. The Holding Company has recognized deferred tax asset (net) of ₹18,510.89 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 Statement. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2024 would have been higher by ₹18,510.89 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 Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹26,264.20 lakhs as at 31 March 2024 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.
- III. The Holding Company has Tuff Subsidy and Government Subsidy receivable amounting to ₹ 690.34 lakhs which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same. (Refer Note 6 to the Statement).
- IV. The Holding Company has claims amounting to ₹ 1,035.24 lakhs of export incentive receivable. We are unable to comment on the recoverability of the same. (Refer Note 7 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 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.

### **Emphasis of Matters**

V. We draw attention to

The Holding Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation (“lenders”) for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFC on 30th April, 2024 and 29th April, 2024 respectively (Refer note 2 to the Statement).

The Holding Company has not accrued interest amounting to ₹ 2,387.47 lakhs, ₹ 2,726.16 lakhs, ₹ 2,030.70 lakhs, ₹ 1,714.41 lakhs and ₹ 1,832.91 lakhs for the year ended March 31, 2024, 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. The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to ₹ 10,691.66 lakhs. This amount of ₹ 10,691.66 Lakhs has been waived by FCCB's holders. (Refer Note 5 to the Statement).

Our report is not modified in respect of this matter.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 3 to the standalone annual financial results which states that the Holding Company has incurred net losses of ₹ 18,508.81 lakhs during the year ended March 31, 2024 and has a net current liability position of ₹ 74,163.91 lakhs as on that date and describes certain loans in default for which the Holding Company has entered into a one - time settlement with FCCB’s holders. Further, the Holding Company’s ability to meet its future obligations is dependent on successful implementation of the Business Transfer Agreement (BTA). These conditions indicate significant doubt on the Holding Company’s ability to continue as going concern. The Holding Company is in the process of implementing Business Transfer Agreement (BTA) In view of the above, the Statement of the Holding Company has been prepared on a going concern basis. Our opinion on the Statement is not modified in respect of this matter.

### **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 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 an absolute assurance 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.
- 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**

- The Statement include the audited financial statements of 12 subsidiaries, whose financial statements reflect Group’s share of total assets (before consolidation adjustments) of ₹30,094.76 lakhs as at March 31, 2024, Group’s share of total revenue (before consolidation adjustments) of ₹10.40 lakhs and Group’s share of total net loss after tax (before consolidation adjustments) of ₹(359.18) lakhs year ended March 31, 2024, 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.

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.

- 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 ₹18.54 lakhs as at March 31, 2024, Group's share of total revenue (before consolidation adjustments) of ₹ Nil and Group's share of total net loss after tax (before consolidation adjustments) of ₹(6.22) lakhs the year ended March 31, 2024, 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.
- The Statement includes the financial statement of one foreign subsidiary which is prepared as per the management accounts and has not been reviewed, whose financial statement reflects Group's share of total assets (before consolidation adjustments) of ₹526.27 lakhs as at March 31, 2024, 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. Nil for the year ended March 31, 2024 as considered in the Statement. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- The Statement include the results for the quarter ended 31 March 2024 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**

Partner

Membership No.: 074991

UDIN:

Place: Indore

Date: 30 May 2024

AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	As at	
		31 Mar 2024 (Audited)	31 Mar 2023 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1)</b>	<b>Non-current assets</b>		
	Property, plant and equipment	33,506.77	37,496.80
	Intangible assets	212.52	1,092.05
	Right-of-use assets	845.77	856.91
	Financial assets		
	- Investments	0.11	0.11
	- Other financial assets	564.62	859.84
	Deferred tax assets (net)	18,510.89	11,296.67
	Non-current tax assets (net)	371.50	149.32
	Other non-current assets	20,303.05	3.56
	<b>Total non-current assets</b>	<b>74,315.23</b>	<b>51,755.26</b>
<b>2)</b>	<b>Current assets</b>		
	Inventories	9,079.16	9,215.72
	Financial assets		
	- Trade receivables	10,549.43	17,321.38
	- Cash and cash equivalents	15,522.62	438.48
	- Bank balances other than cash and cash equivalents	939.97	793.11
	- Loans	329.63	488.88
	- Other financial assets	1,744.71	1,801.99
	Current tax assets (net)	113.80	177.01
	Other current assets	5,759.15	7,288.11
	<b>Total current assets</b>	<b>44,038.47</b>	<b>37,524.68</b>
	<b>Total assets</b>	<b>1,18,353.70</b>	<b>89,279.94</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1)</b>	<b>Equity</b>		
	Equity share capital	3,070.40	2,688.28
	Other equity	(6,501.74)	(8,716.12)
	Non-controlling interest	(974.56)	(911.79)
	<b>Total equity</b>	<b>(4,405.90)</b>	<b>(6,939.65)</b>
	<b>Liabilities</b>		
<b>2)</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	1,692.88	-
	- Lease liabilities	723.34	751.00
	Provisions	1,100.50	622.83
	<b>Total non-current liabilities</b>	<b>3,516.72</b>	<b>1,373.83</b>
<b>3)</b>	<b>Current liabilities</b>		
	Financial liabilities		
	- Borrowings	64,605.44	64,380.99
	- Lease liabilities	194.01	126.88
	- Trade payables		
	(a) Outstanding dues to micro enterprises and small enterprises	-	-
	(b) Outstanding dues to creditors other than micro enterprises and small enterprises	16,661.39	18,943.78
	- Other financial liabilities	12,641.04	8,720.59
	Provisions	29.27	20.91
	Other current liabilities	25,111.73	2,652.61
	<b>Total current liabilities</b>	<b>1,19,242.88</b>	<b>94,845.76</b>
	<b>Total equity and liabilities</b>	<b>1,18,353.70</b>	<b>89,279.94</b>

For Flexituff Ventures International Limited

Rahul Chouhan  
Whole Time Director  
(DIN: 03307553)  
Place : Pithampur  
Date : May 30, 2024



FLEXITUFF VENTURES INTERNATIONAL LIMITED

CIN – L25202MP1993PLC034616

Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775



STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED March 31, 2024

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31 Mar 2024	31 Dec 2023	31 March 2023	31 Mar 2024	31 Mar 2023
		(Audited) (Refer note 14)	(Unaudited)	(Audited) (Refer note 14)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	Revenue from operations	11,322.52	14,722.52	18,401.13	59,856.39	91,529.83
	Other income	123.01	175.01	209.94	547.37	1,264.27
	<b>Total income</b>	<b>11,445.53</b>	<b>14,897.53</b>	<b>18,611.07</b>	<b>60,403.76</b>	<b>92,794.10</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	8,112.53	8,668.97	11,568.81	36,484.91	53,311.01
	(b) Purchase of stock-in-trade	189.74	684.34	673.28	2,578.97	2,246.15
	(c) Changes in stock of finished goods, work-in-progress	(760.13)	742.00	(1,351.29)	(364.09)	3,615.55
	(d) Employee benefits expense	3,995.34	4,173.29	4,293.84	16,977.75	17,539.27
	(e) Finance costs	2,401.59	2,215.08	1,734.69	8,496.32	7,010.36
	(f) Depreciation and amortisation expense	1,407.84	1,450.12	1,614.38	5,932.07	6,825.36
	(g) Other expenses	4,827.47	3,504.33	5,234.93	15,921.23	18,735.26
	<b>Total expenses</b>	<b>20,174.38</b>	<b>21,438.13</b>	<b>23,768.64</b>	<b>86,027.16</b>	<b>1,09,282.96</b>
<b>3</b>	<b>(Loss) before tax (1-2)</b>	<b>(8,728.85)</b>	<b>(6,540.60)</b>	<b>(5,157.57)</b>	<b>(25,623.40)</b>	<b>(16,488.86)</b>
<b>4</b>	<b>Tax expense / (credit)</b>					
	(a) Current tax	-	-	(0.53)	-	(0.53)
	(b) MAT charge of previous year	-	-	-	-	-
	Less: MAT credit entitlement of previous year	-	-	-	-	-
	(c) Income Tax charge / (credit) for previous year	(4.21)	-	-	4.71	-
	(d) Deferred tax (credit)	(2,365.00)	(1,103.62)	(3,149.43)	(7,218.85)	(3,867.92)
	<b>Tax expense (credit)</b>	<b>(2,369.21)</b>	<b>(1,103.62)</b>	<b>(3,149.96)</b>	<b>(7,214.14)</b>	<b>(3,868.45)</b>
<b>5</b>	<b>(Loss) for the period / year after tax (3-4)</b>	<b>(6,359.64)</b>	<b>(5,436.98)</b>	<b>-2007.61</b>	<b>(18,409.26)</b>	<b>(12,620.41)</b>
<b>6</b>	<b>(Loss) for the period / year attributable to:</b>					
	Equity holders of the parent	(6,351.84)	(5,414.92)	(2,188.31)	(18,346.50)	(11,966.43)
	Non-controlling interest	(7.80)	(22.06)	180.70	(62.76)	(653.98)
<b>7</b>	<b>Other comprehensive income / (loss)</b>					
	<b>Items that will not be reclassified to profit or loss</b>					
	(a) Remeasurements of the net defined benefit plans	(166.94)	2.35	(9.25)	(159.88)	9.42
	(b) Income tax effect on above	52.08	(0.73)	2.88	49.88	(2.94)
	<b>Items that will be reclassified to profit or loss</b>					
	(a) Exchange differences on translation of foreign operations	(0.08)	185.20	(108.33)	174.75	(102.08)
	(b) Income tax effect on above	0.03	(57.79)	33.80	(54.52)	31.85
	<b>Total Other comprehensive income/(loss)</b>	<b>(114.91)</b>	<b>129.03</b>	<b>(80.90)</b>	<b>10.23</b>	<b>(63.75)</b>

FLEXITUFF VENTURES INTERNATIONAL LIMITED

CIN – L25202MP1993PLC034616

Regd. Office: C 41-50, SEC NO III, SEZ INDUSTRIAL AREA, PITHAMPUR, DHAR, MP - 454775



STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED March 31, 2024

(Rupees in lakhs, unless otherwise stated)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31 Mar 2024	31 Dec 2023	31 March 2023	31 Mar 2024	31 Mar 2023
		(Audited) (Refer note 14)	(Unaudited)	(Audited) (Refer note 14)	(Audited)	(Audited)
8	<b>Other comprehensive income/(loss) attributable to:</b>					
	Equity holders of the parent	(114.91)	129.03	(80.90)	10.23	(63.75)
	Non-controlling interest	-	-	-	-	-
9	<b>Total comprehensive income / (loss) (5+7)</b>	<b>(6,474.55)</b>	<b>(5,307.95)</b>	<b>(2,088.51)</b>	<b>(18,399.03)</b>	<b>(12,684.16)</b>
10	<b>Total comprehensive income / (loss) attributable to:</b>					
	Equity holders of the parent	(6,466.75)	(5,285.89)	(2,269.21)	(18,336.27)	(12,030.18)
	Non-controlling interest	(7.80)	(22.06)	180.70	(62.76)	(653.98)
11	<b>Paid-up equity share capital (Face value of Rs. 10/- each)</b>	<b>3,070.41</b>	<b>3,070.41</b>	<b>2,688.28</b>	<b>3,070.41</b>	<b>2,688.28</b>
12	<b>Other equity and Non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,476.30)</b>	<b>(9,627.91)</b>
13	<b>Earnings per share (of Rs. 10/- each) [in Rs.]:</b>					
	Basic & Diluted (Refer Note 11)	(22.23)	(18.20)	(8.79)	(64.35)	(48.05)

For Flexituff Ventures International Limited

Rahul Chouhan  
Whole Time Director  
(DIN: 03307553)  
Place : Pithampur  
Date : May 30, 2024



AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rupees in lakhs, unless otherwise stated)

Particulars	Year Ended	Year Ended
	31 March 2024	31 March 2023
	(Audited)	(Audited)
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	(25,623.40)	(15,488.86)
Adjustments for:		
Depreciation and amortization expenses	5,932.07	6,825.36
Interest and finance charges	8,496.32	7,010.36
Interest income	(101.20)	(99.26)
Amortisation of Government Grants	-	-
Liabilities written back	(0.02)	(0.81)
Provision no longer required written back	-	-
Impairment of Loans given	-	-
Provision for doubtful debts	1,629.37	1,881.80
(Profit)/Loss on sale of property, plant & equipment (net)	-	9.67
Unrealized foreign exchange loss / (gain) (net)	(33.23)	137.64
Defined benefits reclassified to OCI	(110.00)	6.48
Foreign Currency Translation Reserve	120.23	(70.23)
<b>Operating profit / (loss) before working capital changes</b>	<b>(9,689.86)</b>	<b>212.15</b>
<b>Changes in working capital</b>		
(Decrease) in trade payables	(2,316.05)	(3,732.75)
Increase in other liabilities	22,419.13	915.16
Increase/(decrease) in other financial liabilities	3,706.04	(732.01)
Increase in provisions	486.03	66.75
Decrease in trade receivables	5,147.92	2,700.06
Decrease in inventories	136.56	3,039.62
(Increase) in other assets	(18,770.53)	(3.69)
Decrease in other financial assets	361.23	1,911.12
Decrease/(increase) in Loans	159.25	(322.55)
(Increase) in other cash and cash equivalents	(146.86)	(312.41)
<b>Cash generated from operations</b>	<b>1,492.86</b>	<b>3,741.45</b>
Income tax paid	(213.57)	137.90
<b>Net cash inflows from operating activities (A)</b>	<b>1,279.29</b>	<b>3,879.35</b>
<b>Cash flows from Investing activities</b>		
Payments for property, plant and equipment and intangible assets (net)	(483.87)	(168.35)
Receipts of Government Grants	-	-
Interest received	92.46	94.96
Net proceeds from fixed deposits (having original maturity of more than 12 months)	-	-
<b>Net cash outflow from investing activities (B)</b>	<b>(391.41)</b>	<b>(73.39)</b>
<b>Cash flows from Financing activities</b>		
Net proceeds repayment from borrowings	1,553.84	(10.83)
Principal elements of lease payments	(164.55)	(41.58)
Interest and finance charges paid	(8,311.91)	(5,255.10)
Proceeds from Issue of Shares warrants	169.50	475.20
Proceeds from Issue of Shares	754.10	630.00
Proceeds from the issue of CCDs	20,195.28	-
<b>Net cash outflow from financing activities (C)</b>	<b>14,196.26</b>	<b>(4,202.31)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>15,084.14</b>	<b>(396.35)</b>
Cash and cash equivalents at the beginning	438.48	834.83
<b>Cash and cash equivalents at the end</b>	<b>15,522.62</b>	<b>438.48</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks in current accounts	39.25	149.25
Fixed deposits with maturity of less than 3 months	15,443.87	262.77
Cash on hand	39.50	26.46
<b>Total</b>	<b>15,522.62</b>	<b>438.48</b>

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

Rahul Chouhan  
Whole Time Director  
(DIN: 03307553)  
Place : Pithampur  
Date : May 30, 2024



**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, 2024**

- 1) The 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 2024. These audited consolidated 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, 2024 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, 2024. The Statutory Auditors have expressed a modified opinion on these results.
- 2) As on March 31, 2024, the Holding Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs 3,594.19 lakhs and Rs. 2,739.60 lakhs respectively to IFCI LTD (The interest default cited here is net of TDS (as applicable). Loan of IFCI Ltd has been assigned to Phoenix ARC Private Limited on 19th April, 2024 vide confirmation letter dated 22nd April, 2024.

As on March 31, 2024, the Holding Company was in default in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs 18,759.13 lakhs and Rs 8,853.31 lakhs respectively and also was in default in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs 7,503.65 lakhs. Interest accrued and payable to IFC amounts to Rs. 2,863.73 lakhs. The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 5 below.

As per correspondence with TPG Growth II SF Pte. Ltd. dated 15 February 2024, the Holding Company has entered into a one time settlement of the FCCBs and waiver of interest. Settlement amount was payable on or before 31 March 2024. Time line for payment further extended uptill 30th April, 2024 and the Holding Company has paid settlement amount on 30th April, 2024.

IFC has also agreed for a one time settlement of the FCCB and waiver of interest, Settlement amount was payable by 15th February 2024. This time line further extended uptill 30th April, 2024. The Holding Company has paid settlement amount on 29th April, 2024. As per the correspondence with IFC, the Holding Company has received no dues certificate dated 8 May 2024.

Total gain to the company on one time settlement of principal amount of FCCBs is USD 21.42 Million.

The Holding Company has devolved Letter of Credit issued by banks and such devolvement has resulted in over utilisation of cash credit facilities by Rs 21,969.20 lakhs (including interest) as on March 31, 2024, based on drawing power sanctioned by banks in the month of February 2024.

- 3) The Holding Company has incurred net losses of Rs 18,508.81 lakhs during the period ended March 31, 2024 and has a net current liability position of Rs 74,163.91 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 Holding Company is pursuing with its lenders for restructuring of loans through an Inter Creditor Agreement. Consequently, the Holding Company's ability to meet its obligations is dependent on restructuring of loans. The Holding Company will also require further financing to sustain its operations in the normal course of business for which the Holding Company is also contemplating monetisation of certain assets. These events along with other conditions cast significant doubt on the ability of the Holding Company to continue as a going concern. The Holding 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 Holding Company is carrying deferred tax asset of Rs 18,510.89 lakhs (including MAT credit of Rs. 2,797.69 lakhs) as on March 31, 2024. 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.

**FLEXITUFF VENTURES INTERNATIONAL LIMITED**

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**NOTES TO AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024**

- 5) The Holding Company has entered into a settlement with TPG Growth II SF Pte. Ltd. and International Finance Corporation (“lenders”) for one time settlement of its FCCB and waiver of interest. Settlement amount has been paid to TPG and IFCon 30th April, 2024 and 29th April, 2024 respectively (Refer note 2 above).

The Holding Company has not accrued interest amounting to Rs 2,387.47 lakhs, Rs 2,726.16 lakhs, Rs 2,030.70 lakhs, Rs.1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2024, 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.

The aggregate interest not accrued for the period April 1, 2019 to March 31, 2024 amounts to Rs 10,691.66 lakhs. This amount of Rs 10,691.66 Lakhs has been waived by FCCB's holders.

- 6) Tuff Subsidy receivable by the Holding Company of Rs 690.34 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 Tuff 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 1,035.24 lakhs of export incentives were receivable by the Holding Company. The Holding Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29th January 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 order in favour of the association. (IFIBCA). The Holding Company has applied offline to DGFT for MEIS script.
- 8) The Holding Company has executed Business Transfer Agreement (BTA) with its subsidiary company, Flexituff Technology International Limited on 28 August 2023 for sale of Flexible Intermediate Bulk Container (FIBC) business of Pithampur unit of the Company. The sale is completed on 30 April 2024 via slump sale for a lump sum consideration of Rs. 319.00 Crores (Rupees Three Hundred Nineteen Crores only) on the terms and conditions outlined in the BTA.
- 9) 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.
- 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 Holding 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 and 59,40,000 share warrants of Rs 31.50 each, Rs 8 paid per warrant during the year ended 31 March 2023. During the year ,the Holding Company has converted 38,21,276 share warrants into same number of equity shares of Rs 10 each, at a premium of Rs.21.50 each share.
- 12) The Group has incurred a loss for the period ended 31 March 2024 and accordingly, the effect of potential equity shares to be issued would be antidilutive.
- 13) Previous period's / year's figures have been re-grouped wherever necessary to correspond with the current period's figures.
- 14) 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 financial year.

**For Flexituff Ventures International Limited**

**Rahul Chouhan**  
**Whole Time Director**  
**(DIN: 03307553)**  
Place : Pithampur  
Date : May 30, 2024





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

<b>Statement on impact of Audit Qualifications for the financial year ended March 31, 2024</b>				
<b>[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016] Consolidated</b>				
<b>I.</b>	<b>Sl.</b>	<b>Particulars</b>	<b>Adjusted Figures (₹ In Lakhs) (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (₹ In Lakhs) (audited figures after adjusting for qualifications)</b>
	1.	Total Income	60,403.76	60,403.76
	2.	Total Expenditure	86,027.16	87,752.74
	3.	Net Profit/(Loss) after taxes	(18,409.26)	(12,970.51)
	4.	Earnings/(Loss) Per Share	(64.35)	(45.34)
	5.	Total Assets	1,18,353.62	98,117.14
	6.	Total Liabilities	1,22,759.60	1,22,759.60
	7.	Net Worth	(4,405.98)	(24,642.46)
	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.	
<b>II.</b>	<b>Audit Qualification (each audit qualification separately)</b>			
	a.	Audit Qualifications		
		<p>i. The Holding Company has recognized deferred tax asset (net) of ₹ 18,510.89 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 Statement. Had the Deferred tax asset not been created, the net loss and total comprehensive loss for the year ended 31 March 2024 would have been higher by ₹ 18,510.89 lakhs and other equity as on that date would have been lower by the same amount. (Refer Note 4 forming part of the Statement).</p> <p>ii. The Holding Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹ 26,264.20 lakhs as at 31 March 2024 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 Holding 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</p>		

		<p>projections used in the impairment assessment and consequential impairment provision, if any, to be made in the Statement with regard to the CGU.</p> <p>iii. The Holding Company has Tuff Subsidy and Government Subsidy receivable amounting to ₹ 690.34 lakhs which pertains to the period prior to financial year 2016-17. We are unable to comment on the recoverability of the same.</p> <p>iv. The Holding Company has claims amounting to ₹ 1,035.24 lakhs of export incentive receivable. We are unable to comment on the recoverability of the same.</p>
	b.	Type of Audit Qualification: Qualified Opinion
	c.	<p>Frequency of qualification:</p> <p>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.</p> <p>This qualification mentioned in II (a) (iii) and (iv) is included during the year ended March 31, 2024.</p>
	d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Management views for qualification mentioned in II (a) (i) above:</p> <p>The Holding Company is carrying deferred tax asset aggregating to ₹ 18,510.89 lakhs. Management is reasonably certain that the Holding 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. Holding Company has entered in Business Transfer Agreement to repay their existing loans and meet their working capital requirements which in turn will lead to profits in the Holding Company. Which will enable the Holding Company to utilize deferred tax in the period available to the Holding Company easily. Accordingly, no adjustment is currently considered necessary by the management to the amount of deferred tax recognised.</p> <p>Management views for qualification mentioned in II (a) (iii) above:</p> <p>Tuff Subsidy and Government Subsidy receivable by the Holding Company ₹ 690.34 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 Tuff Subsidy will be released, once the joint inspection (JIT) and other procedure laid down by the Ministry of Textile are completed.</p> <p>Management views for qualification mentioned in II (a) (iv) above:</p> <p>Claims amounting to ₹ 1,035.24 lakhs of export incentives were receivable by the Holding Company. The Holding Company was getting export incentive under Merchandise Export from India Scheme and recognized export incentive receivable till 29th January 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 order in</p>

		favor of the association. (IFIBCA). The Holding Company has applied offline to DGFT for MEIS script.
	e.	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>Management views for qualification mentioned in II (a) (ii) above is explained below:</p> <p>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, 2024. Thus, in the view of Management, there is no requirement for accounting any impairment loss.</p> <p>ii. If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>iii. Auditors' Comments on (i) or (ii) above: ii.</p> <p>The Holding Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of ₹ 26,264.20 lakhs as at 31 March 2024 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 Holding 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.</p>

### III. Signatories:

Whole Time Director

Chairman of Audit Committee

Chief Financial Officer

Rahul Chouhan

Place : Pithampur

Date : May 30, 2024

Anirudh Sonpal

Place : Vadodara

Date : May 30, 2024

Ramesh Chand Sharma

Place : Pithampur

Date : May 30, 2024

For Mahesh C. Solanki & Co.

Chartered Accountants

ICAI Firm Registration No. 006228C

Mahesh Solanki

Partner

Membership No. 074991

UDIN:

Place : Indore

Date : May 30, 2024

