

30<sup>th</sup> May, 2022

|  |  |
|--|--|
| To,<br>The Manager (Listing Centre)<br>BSE Limited<br>25 <sup>th</sup> Floor, P.J. Towers, Dalal<br>Street, Mumbai-400 001 | To,<br>The Manager - Corporate Compliance<br>National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex,<br>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 31<sup>st</sup> March, 2022.**

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 31<sup>st</sup> March, 2022.
2. Auditors' Report on Audited Standalone and Consolidated Financial Results for the quarter & financial year ended 31<sup>st</sup> March, 2022.
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**  
Company Secretary & Compliance Officer  
[Membership No: F7271]



Encl: - as above

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

(Rupees in lakhs, unless otherwise stated)

| Sr.No.   | Particulars  | As at                    |                          |
|----------|--|--------------------------|--------------------------|
|          |  | 31 Mar 2022<br>(Audited) | 31 Mar 2021<br>(Audited) |
| <b>A</b> | <b>ASSETS</b>  |                          |                          |
| 1)       | <b>Non-current assets</b>  |                          |                          |
|          | Property, plant and equipment  | 40,921.21                | 45,881.71                |
|          | Intangible assets  | 2,256.02                 | 3,496.79                 |
|          | Right-of-use assets  | 60.12                    | 83.46                    |
|          | Investments in subsidiaries  | 4.91                     | 130.11                   |
|          | Financial assets   |                          |                          |
|          | - Investments  | 0.11                     | 0.11                     |
|          | - Other financial assets   | 1,152.26                 | 1,606.84                 |
|          | Deferred tax assets  | 7,399.85                 | 5,008.05                 |
|          | Non-current tax assets (net)   | 149.31                   | 464.05                   |
|          | Other non-current assets   | 2.77                     | 13.39                    |
|          | <b>Total non-current assets</b>  | <b>51,946.56</b>         | <b>56,684.51</b>         |
| 2)       | <b>Current assets</b>  |                          |                          |
|          | Inventories  | 10,104.70                | 13,057.64                |
|          | Financial assets   |                          |                          |
|          | - Trade receivables  | 25,362.24                | 24,932.29                |
|          | - Cash and cash equivalents  | 753.37                   | 409.23                   |
|          | - Bank balances other than cash and cash equivalents                                 | 480.70                   | 1,253.88                 |
|          | - Loans  | 2,917.70                 | 3,574.35                 |
|          | - Other financial assets   | 997.70                   | 295.01                   |
|          | Current tax assets (net)   | 334.09                   | 462.38                   |
|          | Other current assets   | 6,622.24                 | 7,776.98                 |
|          | <b>Total current assets</b>  | <b>47,572.74</b>         | <b>51,761.76</b>         |
|          | <b>Total assets</b>  | <b>99,519.30</b>         | <b>1,08,446.27</b>       |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>  |                          |                          |
| 1)       | <b>Equity</b>  |                          |                          |
|          | Equity share capital   | 2,488.28                 | 2,488.28                 |
|          | Other equity   | 2,658.94                 | 12,098.61                |
|          | <b>Total equity</b>  | <b>5,147.22</b>          | <b>14,586.89</b>         |
|          | <b>Liabilities</b>   |                          |                          |
| 2)       | <b>Non-current liabilities</b>   |                          |                          |
|          | Financial liabilities  |                          |                          |
|          | - Borrowings   | 2,470.36                 | 2,352.34                 |
|          | - Lease liabilities  | 50.04                    | 66.00                    |
|          | Provisions   | 553.69                   | 461.87                   |
|          | Deferred tax liabilities (net)   | -                        | -                        |
|          | <b>Total non-current liabilities</b>   | <b>3,074.09</b>          | <b>2,880.21</b>          |
| 3)       | <b>Current liabilities</b>   |                          |                          |
|          | Financial liabilities  |                          |                          |
|          | - Borrowings   | 59,901.39                | 59,755.39                |
|          | - Lease liabilities  | 15.96                    | 23.75                    |
|          | - Trade payables   |                          |                          |
|          | (a) Outstanding dues to micro enterprises and small enterprises                      | -                        | -                        |
|          | (b) Outstanding dues to creditors other than micro enterprises and small enterprises | 22,125.39                | 23,335.50                |
|          | - Other financial liabilities  | 7,590.98                 | 6,850.17                 |
|          | Provisions   | 23.30                    | 58.96                    |
|          | Other current liabilities  | 1,640.97                 | 955.40                   |
|          | <b>Total current liabilities</b>   | <b>91,297.99</b>         | <b>90,979.17</b>         |
|          | <b>Total equity and liabilities</b>  | <b>99,519.30</b>         | <b>1,08,446.27</b>       |

For Flexituff Ventures International Limited

Saurabh Kalani  
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 Date: 2022.05.30 19:17:07 +05'30'



Saurabh Kalani  
 Whole Time Director  
 (DIN: 00699380)  
 Place : Pithampur  
 Date : May 30, 2022

FLEXITUFF VENTURES INTERNATIONAL LIMITED

CIN - L25202MP1993PLC034616

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



STANDALONE FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2022

(Rupees in lakhs, unless otherwise stated)

| Sr.No.    | Particulars   | Quarter Ended             |                   |                           | Year Ended         |                    |
|-----------|---|---------------------------|-------------------|---------------------------|--------------------|--------------------|
|           |   | 31 Mar 2022               | 31 Dec 2021       | 31 Mar 2021               | 31 Mar 2022        | 31 Mar 2021        |
|           |   | (Audited)<br>Refer Note 9 | (Unaudited)       | (Audited)<br>Refer Note 9 | (Audited)          | (Audited)          |
| <b>1</b>  | <b>Income</b>   |                           |                   |                           |                    |                    |
|           | Revenue from operations   | 24,107.20                 | 27,313.37         | 26,504.48                 | 1,03,908.66        | 86,789.62          |
|           | Other income (Refer Note 4)   | 859.72                    | 238.98            | 166.47                    | 1,966.24           | 7,267.67           |
|           | <b>Total income</b>   | <b>24,966.92</b>          | <b>27,552.35</b>  | <b>26,670.95</b>          | <b>1,05,874.90</b> | <b>94,057.29</b>   |
| <b>2</b>  | <b>Expenses</b>   |                           |                   |                           |                    |                    |
|           | (a) Cost of materials consumed  | 15,250.33                 | 15,262.53         | 15,326.58                 | 63,492.36          | 48,820.69          |
|           | (b) Purchase of stock-in-trade  | (678.44)                  | 128.69            | 507.82                    | 802.39             | 3,449.99           |
|           | (c) Changes in stock of finished goods, work-in-progress and stock-in-trade             | 68.86                     | 1,659.78          | (1,095.20)                | 1,857.61           | 1,370.16           |
|           | (d) Employee benefits expense   | 4,489.80                  | 4,750.78          | 4,307.23                  | 18,767.65          | 16,834.27          |
|           | (e) Finance costs   | 1,760.40                  | 1,469.33          | 1,958.86                  | 6,680.76           | 7,291.75           |
|           | (f) Depreciation and amortisation expense   | 1,640.89                  | 1,754.44          | 1,680.36                  | 6,947.81           | 7,273.17           |
|           | (g) Other expenses  | 6,012.82                  | 4,677.70          | 4,840.82                  | 18,727.22          | 17,003.14          |
|           | <b>Total expenses</b>   | <b>28,544.66</b>          | <b>29,703.25</b>  | <b>27,526.47</b>          | <b>1,17,275.80</b> | <b>1,02,043.17</b> |
| <b>3</b>  | <b>Profit / (Loss) before exceptional items (1-2)</b>                                   | <b>(3,577.74)</b>         | <b>(2,150.90)</b> | <b>(855.52)</b>           | <b>(11,400.90)</b> | <b>(7,985.88)</b>  |
| <b>4</b>  | <b>Tax expense</b>  |                           |                   |                           |                    |                    |
|           | (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 charge / (credit)  | (92.17)                   | (584.15)          | (665.35)                  | (2,399.57)         | (2,213.37)         |
|           | <b>Total tax charge / (credit)</b>  | <b>(106.67)</b>           | <b>(584.15)</b>   | <b>(665.35)</b>           | <b>(1,944.11)</b>  | <b>(2,213.37)</b>  |
| <b>5</b>  | <b>Net Profit / (Loss) for the period / year (3-4)</b>                                  | <b>(3,471.07)</b>         | <b>(1,566.75)</b> | <b>(190.17)</b>           | <b>(9,456.79)</b>  | <b>(5,772.51)</b>  |
| <b>6</b>  | <b>Other comprehensive income / (loss)</b>  |                           |                   |                           |                    |                    |
|           | Items that will not be reclassified to profit or loss                                   |                           |                   |                           |                    |                    |
|           | (a) Remeasurements of the net defined benefit plans                                     | 17.66                     | 2.41              | (45.86)                   | 24.89              | 9.64               |
|           | (b) Tax relating to items that will not be reclassified to profit or loss               | (5.51)                    | (0.76)            | 14.31                     | (7.77)             | (3.01)             |
|           | <b>Other comprehensive income / (loss) for the period / year</b>                        | <b>12.15</b>              | <b>1.65</b>       | <b>(31.55)</b>            | <b>17.12</b>       | <b>6.63</b>        |
| <b>7</b>  | <b>Total comprehensive income / (loss) for the period / year (5+6)</b>                  | <b>(3,458.92)</b>         | <b>(1,565.10)</b> | <b>(221.72)</b>           | <b>(9,439.67)</b>  | <b>(5,765.88)</b>  |
| <b>8</b>  | <b>Paid-up equity share capital (Face value of Rs. 10/- each)</b>                       | <b>2,488.28</b>           | <b>2,488.28</b>   | <b>2,488.28</b>           | <b>2,488.28</b>    | <b>2,488.28</b>    |
| <b>9</b>  | <b>Other equity</b>   |                           |                   |                           | <b>2,658.94</b>    | <b>12,098.61</b>   |
| <b>10</b> | <b>Earnings per share (of Rs 10/- each) (not annualised for the quarters) [in Rs.]:</b> |                           |                   |                           |                    |                    |
|           | Basic & Diluted (Refer Note 11)   | <b>(13.95)</b>            | <b>(6.30)</b>     | <b>(0.76)</b>             | <b>(38.01)</b>     | <b>(23.20)</b>     |

For Flexituff Ventures International Limited

Saurabh  
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Kalani

Saurabh Kalani  
Whole Time Director  
(DIN: 00699380)  
Place : Pithampur  
Date : May 30, 2022



## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs, unless otherwise stated)

| Particulars   | Year Ended                 | Year Ended                 |
|---|----------------------------|----------------------------|
|   | 31 March 2022<br>(Audited) | 31 March 2021<br>(Audited) |
| <b>Cash flows from operating activities</b>   |                            |                            |
| Loss before tax   | (11,400.90)                | (7,985.88)                 |
| Adjustments for:  |                            |                            |
| Depreciation and amortization expenses  | 6,947.81                   | 7,273.17                   |
| Interest and finance charges  | 6,680.76                   | 7,291.75                   |
| Interest income   | (444.13)                   | (537.40)                   |
| Amortisation of Government Grants   | (225.81)                   | (189.98)                   |
| Liabilities written back  | (1.82)                     | (290.93)                   |
| Provisions no longer required written back  | (566.63)                   | -                          |
| Impairment of Investments in Subsidiary   | 125.20                     | -                          |
| Gain on Restructuring of Borrowing  | -                          | (5,997.02)                 |
| Gain on modification of lease   | -                          | (7.03)                     |
| Provision for doubtful debts/advances   | 1,756.83                   | 824.57                     |
| Provision for loan to related parties   | 720.94                     | 200.00                     |
| Bad debts and advances written off (net of Provision)   | -                          | 1,939.22                   |
| Loss on Security Guarantee  | -                          | 948.51                     |
| (Profit)/Loss on sale of property, plant & equipment (net)                                    | 278.97                     | (3.47)                     |
| Unrealized foreign exchange loss / (gain) (net)   | (141.00)                   | (102.17)                   |
| Provision for retirement benefits   | 17.12                      | 6.63                       |
| <b>Operating (loss) / profit before working capital changes</b>                               | <b>3,747.34</b>            | <b>3,369.97</b>            |
| <b>Changes in working capital</b>   |                            |                            |
| Increase/(decrease) in trade payables   | (1,111.23)                 | 5,809.83                   |
| Increase/(decrease) in other liabilities  | 687.38                     | (770.13)                   |
| Increase/(decrease) in other financial liabilities  | 925.72                     | (237.48)                   |
| Increase/(decrease) in provisions   | 56.16                      | 39.36                      |
| Decrease/(increase) in trade receivables  | (2,042.11)                 | (1,894.39)                 |
| Decrease/(increase) in inventories  | 2,952.94                   | 895.93                     |
| Decrease/(increase) in other assets   | 1,629.49                   | 1,633.27                   |
| Decrease/(increase) in other financial assets   | (111.95)                   | 18.88                      |
| Decrease/(increase) in Loans  | (64.29)                    | (288.34)                   |
| Decrease/(increase) in other cash and cash equivalents  | 773.19                     | (682.11)                   |
| <b>Cash generated from operations</b>   | <b>7,442.64</b>            | <b>7,894.79</b>            |
| Income tax paid   | (4.67)                     | (106.56)                   |
| <b>Net cash inflows from operating activities (A)</b>   | <b>7,437.97</b>            | <b>7,788.23</b>            |
| <b>Cash flows from Investing activities</b>   |                            |                            |
| Payments for property, plant and equipment and intangible assets (net)                        | (280.43)                   | (462.60)                   |
| Receipts of Government Grants   | -                          | 494.98                     |
| Interest received   | 448.93                     | 545.27                     |
| Payments for purchase of Investments  | -                          | (0.25)                     |
| Net (payments)/proceeds from fixed deposits (having original maturity of more than 12 months) | (140.95)                   | (22.16)                    |
| <b>Net cash flow from investing activities (B)</b>  | <b>27.55</b>               | <b>555.24</b>              |
| <b>Cash flows from Financing activities</b>   |                            |                            |
| Net repayment of Borrowings   | (461.24)                   | (2,954.01)                 |
| Principal elements of lease payments  | (20.29)                    | (31.49)                    |
| Interest and finance charges paid   | (6,639.86)                 | (5,535.55)                 |
| <b>Net cash outflow from financing activities (C)</b>   | <b>(7,121.39)</b>          | <b>(8,521.05)</b>          |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>                         | <b>344.13</b>              | <b>(177.58)</b>            |
| Cash and cash equivalents at the beginning  | 409.23                     | 586.81                     |
| Cash and cash equivalents at the end  | <b>753.36</b>              | <b>409.23</b>              |
| <b>Cash and cash equivalents comprise</b>   |                            |                            |
| Balances with banks in current accounts   | 250.25                     | 261.29                     |
| Fixed deposits with maturity of less than 3 months  | 472.50                     | 117.20                     |
| Cash on hand  | 30.61                      | 30.74                      |
| <b>Total</b>  | <b>753.36</b>              | <b>409.23</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

Saurabh  
Kalani

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Saurabh Kalani  
Whole Time Director  
(DIN: 00699380)  
Place : Pithampur  
Date : May 30, 2022

**NOTES TO AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2022**

- 1) These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 - Interim Financial Reporting as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Statement of Financial Results as shown above, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2022 respectively. The Statutory Auditors have expressed a modified opinion on these results.

- 2) As on March 31, 2022 the Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs. 4,179.65 lakhs and Rs. 1,759.26 lakhs respectively to financial institutions (The interest default cited here is net of TDS (as applicable)).

As on March 31, 2022 the Company has defaulted in repaying the principal and interest component for FCCB issued to TPG Growth II SF Pte. Ltd. amounting to Rs. 12,792.45 lakhs and Rs. 5,003.53 lakhs respectively and also defaulted in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs. 6,822.64 lakhs. Interest accrued and payable to IFC amounts to Rs. 1,599.86 lakhs. (The interest default cited here is net of TDS (as applicable) and before adjusting for the effects mentioned in Note 6 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. 15,236.73 lakhs (including interest) as on March 31, 2022, based on drawing power sanctioned by banks in February 2022.

- 3) The Company has incurred net losses of Rs. 9,439.67 lakhs during the year ended March 31, 2022 and has a net current liability position of Rs. 43,725.25 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) During the quarter ended September 30, 2020, the term loan from KKR India Financial Services Limited ("KKR") has been assigned to Assets Care & Reconstruction Enterprise Ltd acting in its capacity as trustee of ACRE-105- Trust ("ACRE"), new lender of the Company, who has taken over the loan of KKR. The Company has entered in new loan documentation with ACRE on November 25, 2020, as a result the original outstanding (including principal and interest) with KKR of Rs. 9410.51 lakhs has been restructured to Rs. 1500 lakhs. Accordingly, the Company has accounted for gain on restructuring amounting to Rs 5,997.02 lakhs in other income.
- 5) The Company is carrying deferred tax asset of Rs. 7,399.85 lakhs (including MAT credit of Rs. 2,797.69 lakhs) as on March 31, 2022. 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.
- 6) 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, 2022.

Accordingly, the Company has not accrued interest amounting to Rs 2,030.70 lakhs, Rs.1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.



**NOTES TO AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2022**

- 7) The management has made an assessment of the impact of COVID-19 on the Company's current and future operations, financial performance and position giving due consideration to the internal and external factors. The management is continuously monitoring the situation and has concluded that there is no impact which is required to be recognised in these results for the quarter and year ended March 31, 2022. Accordingly, no adjustments have been made to these results.
- 8) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 9) The audited financial results for quarter ended March 31, 2022 and quarter ended March 31, 2021 are the balancing figures between the audited figures for the full financial years then ended and the published year to date reviewed figures up to the third quarter of the respective financial years.
- 10) 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'.
- 11) There is no dilution to the basic EPS as there are no outstanding potentially dilutive shares.
- 12) Previous period's / year's figures have been re-grouped wherever necessary to correspond with the current period's figures.

**For Flexituff Ventures International Limited**

Saurabh Kalani  
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Date: 2022.05.30 19:17:48 +05'30'

**Saurabh Kalani**  
**Whole Time Director**  
**(DIN: 00699380)**  
Place : Pithampur  
Date : May 30, 2022



**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, 2022</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<br/>(Rs in Lakhs)<br/>(as reported before<br/>adjusting for<br/>qualifications)</b>          | <b>Adjusted Figures<br/>(Rs in Lakhs)<br/>(audited figures after<br/>adjusting for<br/>qualifications)</b> |
|  | 1.   | Total income  | 1,05,874.90  | 1,05,874.90  |
|  | 2.   | Total Expenditure   | 1,17,275.80  | 1,22,853.82  |
|  | 3.   | Net Profit/(Loss) after tax   | (9,456.79)   | (22,434.66)  |
|  | 4.   | Earnings/(Loss) Per Share   | (38.01)  | (90.16)  |
|  | 5.   | Total Assets  | 99,519.30  | 92,119.45  |
|  | 6.   | Total Liabilities   | 94,372.08  | 99,950.10  |
|  | 7.   | Net Worth   | 5,147.22   | (7,830.65)   |
|  | 8.   | Any other financial item(s) (as felt appropriate by the management)   | Refer Material Uncertainty with respect to Going Concern and Emphasis of Matter Paragraph in the Auditors Report |  |
| <b>A</b>   | <b>Audit Qualification (each audit qualification separately)</b> |   |  |  |
|  | a.   | Audit Qualifications  |  |  |
|  |  | <p>i. The Company has recognized deferred tax asset (net) of Rs. 7,399.85 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 March 31, 2022 would have been higher by Rs. 7,399.85 Lakhs and other equity as on that date would have been lower by the same amount. (Refer Note No. 5 forming part of the results).</p> <p>ii. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 33,793.84 lakhs as on March 31, 2022 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> |  |  |



|      |   |
|------|---|
|      | <p>iii. The Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended March 31, 2020; Rs 1714.41 lakhs for the year ended March 31, 2021 and Rs 2,030.70 lakhs for the year ended March 31, 2022 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 March 31, 2020 is understated by Rs 1,832.91 lakhs; for the year ended March 31, 2021 is understated by 1714.41 lakhs and for the year ended March 31, 2022 is understated by 2,030.70 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 6 to the Statement).</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>The qualification mentioned in II (a) (iii) is repetitive and continuing since the year ended March 31, 2020.</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 Rs. 7,399.85 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.</p> <p>Management views for qualification mentioned in II (a) (iii) above:</p> <p>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, 2022.</p> <p>Accordingly, the Company has not accrued interest amounting to Rs 2,030.70 lakhs, Rs. 1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2022 , for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.</p> |
| 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>  |
| (i)  | <p>Management's estimation on the impact of audit qualification:</p> <p>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, 2022. Thus, in the view of Management, there is no requirement for accounting any impairment loss.</p>   |
| (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. 33,793.84 lakhs as on March 31, 2022 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:

|  |  |  |
|--|--|--|
| <p>Whole Time Director</p> <p>Saurabh Kalani</p> <p>Digitally signed by Saurabh Kalani<br/>Date: 2022.05.30 19:18:05 +05'30'</p>  <p>Saurabh Kalani<br/>Place : Pithampur<br/>Date : May 30, 2022</p>  | <p>Chairman Of Audit Committee</p> <p>ANIRUDH C SONPAL</p> <p>Digitally signed by ANIRUDH C SONPAL<br/>Date: 2022.05.30 19:57:43 +05'30'</p>  <p>Anirudh Sonpal<br/>Place : Vadodara<br/>Date : May 30, 2022</p>                                  | <p>Chief Financial Officer</p> <p>Ramesh Chand Sharma</p> <p>Digitally signed by Ramesh Chand Sharma<br/>Date: 2022.05.30 19:22:16 +05'30'</p>  <p>Ramesh Chand Sharma<br/>Place : Pithampur<br/>Date : May 30, 2022</p> |
| <p>For Sanjeev Omprakash Garg &amp; Co.<br/>Chartered Accountants<br/>ICAI Firm Registration No. 008773C</p> <p>THAKUR SHADIJA</p> <p>Digitally signed by THAKUR SHADIJA<br/>Date: 2022.05.30 20:36:13 +05'30'</p>  <p>Thakur Shadija<br/>Partner<br/>Membership No.: 420757<br/>UDIN:<br/>Place : Indore<br/>Date : May 30, 2022</p> | <p>For Mahesh C. Solanki &amp; Co.<br/>Chartered Accountants<br/>ICAI Firm Registration No. 006228C</p> <p>Mahesh Solanki</p>  <p>Mahesh Solanki<br/>Partner<br/>Membership No.: 074991<br/>UDIN:<br/>Place : Indore<br/>Date : May 30, 2022</p> |  |

**Sanjeev Omprakash Garg & Co.**  
**Chartered Accountants**  
413, Fortune Ambience,  
South Tukoganj,  
Indore -452001

**Mahesh C. Solanki & Co.**  
**Chartered Accountants**  
803, Airen Heights, PU-3, Scheme  
No-54, Opp. Malhar Mega Mall  
A.B.Road, Indore – 452 010

**Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended**

**To the Board of Directors of Flexituff Ventures International Limited**

**Report on the Audit of Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying standalone annual financial results of Flexituff Ventures International Limited (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2022 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2022.

**Basis for Qualified Opinion:**

- a) Our limited review report on the unaudited standalone financial results of the Company for the quarter ended December 31, 2021 was qualified in respect of the matters stated below:
  - i. The Company has recognized deferred tax asset (net) of Rs. 7,399.85 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



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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 March 31, 2022 would have been higher by Rs. 7,399.85 Lakhs and other equity as on that date would have been lower by the same amount. (Refer Note No. 5 forming part of the results).

- ii. The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 33,793.84 lakhs as on March 31, 2022 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. The Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended March 31, 2020; Rs 1714.41 lakhs for the year ended March 31, 2021 and Rs 2,030.70 lakhs for the year ended March 31, 2022 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 March 31, 2020 is understated by Rs 1,832.91 lakhs; for the year ended March 31, 2021 is understated by 1714.41 lakhs and for the year ended March 31, 2022 is understated by 2,030.70 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 6 to the Statement).

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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.



**Sanjeev Omprakash Garg & Co.**  
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### **Material Uncertainty Related to Going Concern**

We draw attention to Note 3 to the Statement which states that the Company has incurred net losses of Rs. 9,439.67 lakhs during the year ended March 31, 2022 and has a net current liability position of Rs. 43,725.25 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.

### **Board of Directors' Responsibilities for the Standalone Financial Results**

This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 presentation of the Statement 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 Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the 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 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 of the Company are responsible for overseeing the financial reporting process of the Company.



**Sanjeev Omprakash Garg & Co.**  
**Chartered Accountants**  
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**Chartered Accountants**  
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### **Auditor's Responsibilities for the Audit of the Standalone 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.

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 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 made by the Board of Directors.
- Conclude on the appropriateness of the 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 of the Company 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.



**Sanjeev Omprakash Garg & Co.**  
**Chartered Accountants**  
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**Chartered Accountants**  
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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 Matters

The Statement include the results for the quarter ended March 31, 2022 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

**For Sanjeev Omprakash Garg & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 008773

THAKUR SHADIJA Digitally signed by  
THAKUR SHADIJA  
Date: 2022.05.30  
20:37:07 +05'30'



**Thakur Shadija**  
Partner  
Membership No.: 420757  
UDIN: 22420757AJXWGL1027

Place: Indore  
Date: May 30, 2022

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

Mahesh  
Solanki



**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 22074991AJXXID4275

Place: Indore  
Date: May 30, 2022

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

(Rupees in lakhs, unless otherwise stated)

| Sr.No.   | Particulars  | As at                    |                          |
|----------|--|--------------------------|--------------------------|
|          |  | 31 Mar 2022<br>(Audited) | 31 Mar 2021<br>(Audited) |
| <b>A</b> | <b>ASSETS</b>  |                          |                          |
| 1)       | <b>Non-current assets</b>  |                          |                          |
|          | Property, plant and equipment  | 40,922.77                | 45,883.53                |
|          | Intangible assets  | 2,256.02                 | 3,496.79                 |
|          | Right-of-use assets  | 60.12                    | 83.46                    |
|          | Financial assets   |                          |                          |
|          | - Investments  | 0.11                     | 0.11                     |
|          | - Other financial assets   | 1,152.26                 | 1,606.84                 |
|          | Deferred tax assets (net)  | 7,399.85                 | 5,008.05                 |
|          | Non-current tax assets (net)   | 192.12                   | 508.76                   |
|          | Other non-current assets   | 10.52                    | 21.15                    |
|          | <b>Total non-current assets</b>  | <b>51,993.77</b>         | <b>56,608.69</b>         |
| 2)       | <b>Current assets</b>  |                          |                          |
|          | Inventories  | 12,255.34                | 15,208.28                |
|          | Financial assets   |                          |                          |
|          | - Trade receivables  | 23,038.62                | 22,528.56                |
|          | - Cash and cash equivalents  | 834.83                   | 563.09                   |
|          | - Bank balances other than cash and cash equivalents                                 | 480.70                   | 1,253.88                 |
|          | - Loans  | 166.33                   | 159.64                   |
|          | - Other financial assets   | 3,416.39                 | 2,746.17                 |
|          | Current tax assets (net)   | 300.48                   | 461.13                   |
|          | Other current assets   | 7,277.45                 | 8,473.60                 |
|          | <b>Total current assets</b>  | <b>47,770.14</b>         | <b>51,394.35</b>         |
|          | <b>Total assets</b>  | <b>99,763.91</b>         | <b>1,08,003.04</b>       |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>  |                          |                          |
| 1)       | <b>Equity</b>  |                          |                          |
|          | Equity share capital   | 2,488.28                 | 2,488.28                 |
|          | Other equity   | 2,504.51                 | 11,170.89                |
|          | Non-controlling interest   | (257.80)                 | (267.85)                 |
|          | <b>Total equity</b>  | <b>4,734.99</b>          | <b>13,391.32</b>         |
|          | <b>Liabilities</b>   |                          |                          |
| 2)       | <b>Non-current liabilities</b>   |                          |                          |
|          | Financial liabilities  |                          |                          |
|          | - Borrowings   | 2,470.36                 | 2,352.34                 |
|          | - Lease liabilities  | 50.04                    | 66.00                    |
|          | Provisions   | 553.69                   | 461.87                   |
|          | <b>Total non-current liabilities</b>   | <b>3,074.09</b>          | <b>2,880.21</b>          |
| 3)       | <b>Current liabilities</b>   |                          |                          |
|          | Financial liabilities  |                          |                          |
|          | - Borrowings   | 59,901.39                | 59,755.39                |
|          | - Lease liabilities  | 15.96                    | 23.75                    |
|          | - Trade payables   |                          |                          |
|          | (a) Outstanding dues to micro enterprises and small enterprises                      | -                        | -                        |
|          | (b) Outstanding dues to creditors other than micro enterprises and small enterprises | 22,674.27                | 23,969.54                |
|          | - Other financial liabilities  | 7,601.65                 | 6,862.54                 |
|          | Provisions   | 23.30                    | 58.96                    |
|          | Other current liabilities  | 1,738.26                 | 1,061.33                 |
|          | <b>Total current liabilities</b>   | <b>91,954.83</b>         | <b>91,731.51</b>         |
|          | <b>Total equity and liabilities</b>  | <b>99,763.91</b>         | <b>1,08,003.04</b>       |

For Flexituff Ventures International Limited

Saurabh Kalani  
Digitally signed  
by Saurabh Kalani  
Date: 2022.05.30  
19:16:21 +05'30'

Saurabh Kalani  
Whole Time Director  
(DIN: 00699380)  
Place : Pithampur  
Date : May 30, 2022



CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2022

(Rupees in lakhs, unless otherwise stated)

| Sr.No.   | Particulars   | Quarter Ended                             |                            |   | Year Ended               |                          |
|----------|---|---|----------------------------|---|--------------------------|--------------------------|
|          |   | 31 Mar 2022<br>(Audited)<br>Refer Note 10 | 31 Dec 2021<br>(Unaudited) | 31 Mar 2021<br>(Audited)<br>Refer Note 10 | 31 Mar 2022<br>(Audited) | 31 Mar 2021<br>(Audited) |
| <b>1</b> | <b>Income</b>   |   |                            |   |                          |                          |
|          | Revenue from operations   | 24,236.74                                 | 27,444.69                  | 26,549.31                                 | 1,04,169.52              | 84,740.69                |
|          | Other income (Refer Note 4)   | 815.48                                    | 168.74                     | 82.09                                     | 1,711.81                 | 6,905.82                 |
|          | <b>Total income</b>   | <b>25,052.22</b>                          | <b>27,613.43</b>           | <b>26,631.40</b>                          | <b>1,05,881.33</b>       | <b>91,646.51</b>         |
| <b>2</b> | <b>Expenses</b>   |   |                            |   |                          |                          |
|          | (a) Cost of materials consumed  | 15,250.37                                 | 15,262.53                  | 15,326.58                                 | 63,492.40                | 48,820.69                |
|          | (b) Purchase of stock-in-trade  | -678.44                                   | 128.69                     | 501.24                                    | 802.39                   | 3,443.41                 |
|          | (c) Changes in stock of finished goods, work-in-progress and stock-in-trade | 68.85                                     | 1,659.78                   | (1,088.62)                                | 1,857.60                 | -717.02                  |
|          | (d) Employee benefits expense   | 4,491.06                                  | 4,752.25                   | 4,307.88                                  | 18,770.38                | 16,835.70                |
|          | (e) Finance costs   | 1,762.22                                  | 1,469.34                   | 1,958.87                                  | 6,682.93                 | 7,291.87                 |
|          | (f) Depreciation and amortisation expense                                   | 1,641.16                                  | 1,754.44                   | 1,680.68                                  | 6,948.08                 | 7,273.49                 |
|          | (g) Other expenses  | 5,473.66                                  | 4,585.68                   | 4,727.28                                  | 17,909.80                | 16,908.96                |
|          | <b>Total expenses</b>   | <b>28,008.88</b>                          | <b>29,612.71</b>           | <b>27,413.91</b>                          | <b>1,16,463.58</b>       | <b>99,857.10</b>         |
| <b>3</b> | <b>Profit / (Loss) before tax (1-2)</b>                                     | <b>(2,956.66)</b>                         | <b>(1,999.28)</b>          | <b>(782.51)</b>                           | <b>(10,582.25)</b>       | <b>(8,210.59)</b>        |
| <b>4</b> | <b>Tax expense / (credit)</b>   |   |                            |   |                          |                          |
|          | (a) Current tax   | 34.14                                     | -                          | 1.40                                      | 34.14                    | 1.40                     |
|          | (b) MAT charge of previous year   | -   | -                          | -   | -                        | -                        |
|          | Less: MAT credit entitlement of previous year                               | -   | -                          | -   | -                        | -                        |
|          | (c) Income Tax charge / (credit) for previous years                         | (13.95)                                   | -                          | 14.90                                     | 456.01                   | 15.14                    |
|          | (d) Deferred tax charge / (credit)  | (91.98)                                   | (584.15)                   | (665.65)                                  | (2,399.38)               | (2,214.70)               |
|          | <b>Tax expense / (credit)</b>   | <b>(71.79)</b>                            | <b>(584.15)</b>            | <b>(649.35)</b>                           | <b>(1,909.23)</b>        | <b>(2,198.16)</b>        |
| <b>5</b> | <b>Net Profit / (Loss) for the period / year after tax (3-4)</b>            | <b>(2,884.87)</b>                         | <b>(1,415.13)</b>          | <b>(133.16)</b>                           | <b>(8,673.02)</b>        | <b>(6,012.43)</b>        |
| <b>6</b> | <b>Profit / (Loss) for the period / year attributable to:</b>               |   |                            |   |                          |                          |
|          | Equity holders of the parent  | (2,920.20)                                | (1,423.92)                 | (107.41)                                  | (8,683.07)               | (5,924.32)               |
|          | Non-controlling interest  | 35.33                                     | 8.79                       | (25.75)                                   | 10.05                    | (88.11)                  |
| <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                         | 17.66                                     | 2.41                       | (45.86)                                   | 24.89                    | 9.64                     |
|          | (b) Income tax effect on above  | (5.51)                                    | (0.76)                     | 14.31                                     | (7.77)                   | (3.01)                   |
|          | <b>Items that will be reclassified to profit or loss</b>                    |   |                            |   |                          |                          |
|          | (a) Exchange differences on translation of foreign operations               | (1.27)                                    | 1.23                       | 1.07                                      | (0.62)                   | 4.36                     |
|          | (b) Income tax effect on above  | 0.39                                      | (0.38)                     | (0.33)                                    | 0.19                     | (1.36)                   |
|          | <b>Total Other comprehensive income/(loss)</b>                              | <b>11.27</b>                              | <b>2.50</b>                | <b>(30.81)</b>                            | <b>16.69</b>             | <b>9.63</b>              |



CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2022

(Rupees in lakhs, unless otherwise stated)

| Sr.No. | Particulars  | Quarter Ended                             |                            |   | Year Ended               |                          |
|--------|--|---|----------------------------|---|--------------------------|--------------------------|
|        |  | 31 Mar 2022<br>(Audited)<br>Refer Note 10 | 31 Dec 2021<br>(Unaudited) | 31 Mar 2021<br>(Audited)<br>Refer Note 10 | 31 Mar 2022<br>(Audited) | 31 Mar 2021<br>(Audited) |
| 8      | Other comprehensive income/(loss) attributable to:         |   |                            |   |                          |                          |
|        | Equity holders of the parent                               | 11.27                                     | 2.50                       | (30.81)                                   | 16.69                    | 9.63                     |
|        | Non-controlling interest                                   | -   | -                          | -   | -                        | -                        |
| 9      | Total comprehensive income / (loss) (5+7)                  | (2,873.60)                                | (1,412.63)                 | (163.97)                                  | (8,656.33)               | (6,002.80)               |
| 10     | Total comprehensive income / (loss) attributable to:       |   |                            |   |                          |                          |
|        | Equity holders of the parent                               | (2,908.93)                                | (1,421.42)                 | (138.22)                                  | (8,666.38)               | (5,914.69)               |
|        | Non-controlling interest                                   | 35.33                                     | 8.79                       | (25.75)                                   | 10.05                    | (88.11)                  |
| 11     | Paid-up equity share capital (Face value of Rs. 10/- each) | 2,488.28                                  | 2,488.28                   | 2,488.28                                  | 2,488.28                 | 2,488.28                 |
| 12     | Other equity and Non-controlling interest                  |   |                            |   | 2,246.71                 | 10,903.04                |
| 13     | Earnings per share (of Rs. 10/- each) [in Rs.]:            |   |                            |   |                          |                          |
|        | Basic & Diluted (Refer Note 12)                            | (11.74)                                   | (5.72)                     | (0.43)                                    | (34.90)                  | (23.81)                  |

For Flexituff Ventures International Limited

Saurabh Kalani  
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 Saurabh Kalani  
 Date: 2022.05.30  
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Saurabh Kalani  
 Whole Time Director  
 (DIN: 00699380)  
 Place : Pithampur  
 Date : May 30, 2022



## STATEMENT OF CONSOLIDATED CASH FLOWS

(Rupees in lakhs, unless otherwise stated)

| Particulars  | Year Ended                 | Year Ended                 |
|--|----------------------------|----------------------------|
|  | 31 March 2022<br>(Audited) | 31 March 2021<br>(Audited) |
| <b>Cash flows from operating activities</b>  |                            |                            |
| Profit / (Loss) before tax   | (10,582.25)                | (8,210.59)                 |
| Adjustments for:   |                            |                            |
| Depreciation and amortization expenses   | 6,948.08                   | 7,273.49                   |
| Interest and finance charges   | 6,682.93                   | 7,291.87                   |
| Interest income  | (168.81)                   | (169.34)                   |
| Amortisation of Government Grants  | (225.81)                   | (189.98)                   |
| Liabilities written back   | (20.10)                    | (290.93)                   |
| Provision no longer required written back  | (566.63)                   | -                          |
| Gain on Restructuring of Debt  | -                          | (5,997.02)                 |
| Gain on modification of Lease  | -                          | (7.03)                     |
| Provision for doubtful debts   | 1,756.83                   | 824.57                     |
| Bad debts and advances written off (net of Provision)                              | -                          | 2,012.62                   |
| (Profit)/Loss on sale of property, plant & equipment (net)                         | 278.97                     | (3.47)                     |
| Loss on Security Guarantee   | -                          | 948.51                     |
| Unrealized foreign exchange loss / (gain) (net)                                    | (141.04)                   | (102.17)                   |
| Defined benefits reclassified to OCI   | 17.12                      | 6.63                       |
| Foreign Currency Translation Reserve   | (0.43)                     | 3.00                       |
| <b>Operating profit / (loss) before working capital changes</b>                    | <b>3,978.86</b>            | <b>3,390.16</b>            |
| <b>Changes in working capital</b>  |                            |                            |
| Increase/(decrease) in trade payables  | (1,196.41)                 | 5,809.69                   |
| Increase/(decrease) in other liabilities   | 697.03                     | (792.82)                   |
| Increase/(decrease) in other financial liabilities                                 | 924.02                     | (225.25)                   |
| Increase/(decrease) in provisions  | 56.16                      | 39.36                      |
| Decrease/(increase) in trade receivables   | (2,122.22)                 | 478.32                     |
| Decrease/(increase) in inventories   | 2,952.94                   | (1,191.25)                 |
| Decrease/(increase) in other assets  | 1,670.91                   | 1,645.74                   |
| Decrease/(increase) in other financial assets                                      | (79.48)                    | (115.98)                   |
| Decrease/(increase) in Loans   | (6.69)                     | 2.60                       |
| Decrease/(increase) in other cash and cash equivalents                             | 773.19                     | (682.11)                   |
| <b>Cash generated from operations</b>  | <b>7,648.31</b>            | <b>8,358.46</b>            |
| Income tax paid  | (5.29)                     | (125.87)                   |
| <b>Net cash inflows from operating activities (A)</b>                              | <b>7,643.02</b>            | <b>8,232.59</b>            |
| <b>Cash flows from Investing activities</b>  |                            |                            |
| Payments for property, plant and equipment and intangible assets (net)             | (280.43)                   | (462.60)                   |
| Receipts of Government Grants  | -                          | 494.98                     |
| Interest received  | 173.60                     | 177.21                     |
| Net proceeds from fixed deposits (having original maturity of more than 12 months) | (140.95)                   | (22.16)                    |
| <b>Net cash outflow from investing activities (B)</b>                              | <b>(247.78)</b>            | <b>187.43</b>              |
| <b>Cash flows from Financing activities</b>  |                            |                            |
| Net proceeds repayment from borrowings   | (461.24)                   | (2,954.02)                 |
| Principal elements of lease payments   | (20.23)                    | (31.48)                    |
| Interest and finance charges paid  | (6,642.04)                 | (5,535.66)                 |
| <b>Net cash outflow from financing activities (C)</b>                              | <b>(7,123.51)</b>          | <b>(8,521.16)</b>          |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>              | <b>271.73</b>              | <b>(101.14)</b>            |
| Cash and cash equivalents at the beginning   | 563.10                     | 664.24                     |
| <b>Cash and cash equivalents at the end</b>  | <b>834.83</b>              | <b>563.10</b>              |
| <b>Cash and cash equivalents comprise</b>  |                            |                            |
| Balances with banks in current accounts  | 323.52                     | 406.96                     |
| Fixed deposits with maturity of less than 3 months                                 | 472.50                     | 117.20                     |
| Cash on hand   | 38.81                      | 38.94                      |
| <b>Total</b>   | <b>834.83</b>              | <b>563.10</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

Saurabh Kalani  
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 by Saurabh  
 Kalani  
 Date: 2022.05.30  
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Saurabh Kalani  
 Whole Time Director  
 (DIN: 00699380)  
 Place : Pithampur  
 Date : May 30, 2022

## NOTES TO AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022

- 1) These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 - Interim Financial Reporting as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Statement of Financial Results for the year ended March 31, 2022 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, 2022. The Statutory Auditors have expressed a modified opinion on these results.

- 2) As on March 31, 2022 the Parent Company has defaulted in repaying the principal and interest component of loan instalments amounting to Rs. 4,179.65 lakhs and Rs. 1,759.26 lakhs respectively to financial institutions (The interest default cited here is net of TDS (as applicable)).

As on March 31, 2022 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. 12,792.45 lakhs and Rs. 5,003.53 lakhs respectively and also defaulted in redemption of FCCB from International Finance Corporation (IFC) amounting to Rs. 6,822.64 lakhs. Interest accrued and payable to IFC amounts to Rs. 1,599.86 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 by Rs. 15,236.73 lakhs (including interest) as on March 31, 2022, based on drawing power sanctioned by banks in February 2022.

- 3) The Parent Company has incurred net losses of Rs. 9,439.67 lakhs during the year ended March 31, 2022 and has a net current liability position of Rs. 43,725.25 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) During the quarter ended September 30, 2020, the term loan from KKR India Financial Services Limited ("KKR") has been assigned to Assets Care & Reconstruction Enterprise Ltd acting in its capacity as trustee of ACRE-105- Trust ("ACRE"), new lender of the Parent Company, who has taken over the loan of KKR. The Parent Company has entered in new loan documentation with ACRE on November 25, 2020, as a result the original outstanding (including principal and interest) with KKR of Rs. 9410.51 lakhs has been restructured to Rs. 1500 lakhs. Accordingly, the Parent Company has accounted for gain on restructuring amounting to Rs 5,997.02 lakhs in other income.
- 5) The Parent Company is carrying deferred tax asset of Rs. 7,399.85 lakhs (including MAT credit of Rs. 2,797.69 lakhs) as on March 31, 2022. 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.
- 6) 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, 2022.

Accordingly, the Parent Company has not accrued interest amounting to Rs 2,030.70 lakhs, Rs.1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.



**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 YEAR ENDED MARCH 31, 2022**

- 7) Two foreign subsidiaries, "Flexiglobal Holding Limited, Cyprus" and "Flexiglobal (UK) Limited, United Kingdom (step-down subsidiary)", has not prepared their financial statements 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.
- 8) The management has made an assessment of the impact of COVID-19 on the Group's current and future operations, financial performance and position giving due consideration to the internal and external factors. The management is continuously monitoring the situation and has concluded that there is no impact which is required to be recognised in these results for the quarter and year ended March 31, 2022. Accordingly, no adjustments have been made to these results.
- 9) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Parent Company and its Indian Subsidiaries will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 10) The audited financial results for quarter ended March 31, 2022 and quarter ended March 31, 2021 are the balancing figures between the audited figures for the full financial years then ended and the published year to date reviewed figures up to the third quarter of the respective financial years.
- 11) 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"
- 12) There is no dilution to the basic EPS as there are no outstanding potentially dilutive shares.
- 13) Previous period's / year's figures have been re-grouped wherever necessary to correspond with the current period's figures.

**For Flexituff Ventures International Limited**

Saurabh Kalani  
Digitally signed by Saurabh Kalani  
Date: 2022.05.30 19:15:02 +05'30'

**Saurabh Kalani**  
**Whole Time Director**  
**(DIN: 00699380)**  
Place : Pithampur  
Date : May 30, 2022



**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, 2022</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<br/>(Rs in Lakhs)<br/>(as reported before<br/>adjusting for<br/>qualifications)</b>          | <b>Adjusted Figures<br/>(Rs in Lakhs)<br/>(audited figures after<br/>adjusting for<br/>qualifications)</b> |
|  | 1.   | Total income  | 1,05,881.33  | 1,05,881.33  |
|  | 2.   | Total Expenditure   | 1,16,463.58  | 1,29,441.45  |
|  | 3.   | Net Profit/(Loss) after tax   | (8,683.07)   | (21,660.94)  |
|  | 4.   | Earnings/(Loss) Per Share   | (34.90)  | (87.05)  |
|  | 5.   | Total Assets  | 99,763.91  | 92,364.06  |
|  | 6.   | Total Liabilities   | 95,028.92  | 1,00,606.94  |
|  | 7.   | Net Worth   | 4,734.99   | (8,242.88)   |
|  | 8.   | Any other financial item(s) (as felt appropriate by the management)   | Refer Material Uncertainty with respect to Going Concern and Emphasis of Matter Paragraph in the Auditors Report |  |
| <b>A</b>   | <b>Audit Qualification (each audit qualification separately)</b> |   |  |  |
|  | a.   | Audit Qualifications  |  |  |
|  | i.   | The Parent Company has recognized deferred tax asset (net) of Rs. 7,399.85 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 Parent 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 March 31, 2022 would have been higher by Rs. 7,399.85 Lakhs and other equity as on that date would have been lower by the same amount. (Refer Note No. 5 forming part of the results). |  |  |
|  | ii.  | The Parent Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 33,793.84 lakhs as on March 31, 2022 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.  |  |  |
|  | ii.  | The Parent Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended March 31, 2020; Rs 1714.41 lakhs for the year ended March 31, 2021 and Rs 2,030.70 lakhs for the year ended March 31, 2022 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 March 31, 2020 is understated by Rs 1,832.91 lakhs; for the year ended March 31, 2021 is understated by 1714.41 lakhs and for the year ended March 31, 2022 is understated by 2,030.70 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 6 to the Statement).   |  |  |



|       |   |
|-------|---|
| 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>The qualification mentioned in II (a) (iii) is repetitive and continuing since the year ended March 31, 2020.</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 Parent Company is carrying as a deferred tax asset aggregating to Rs. 7,399.85 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.</p> <p>Management views for qualification mentioned in II (a) (iii) above:</p> <p>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, 2022. Accordingly, the Parent Company has not accrued interest amounting to Rs 2,030.70 lakhs, Rs. 1,714.41 lakhs and Rs. 1,832.91 lakhs for the year ended March 31, 2022 , for the year ended March 31, 2021 and for the year ended March 31, 2020 respectively.</p> |
| 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>  |
| (i)   | <p>Management's estimation on the impact of audit qualification:</p> <p>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, 2022. Thus, in the view of Management, there is no requirement for accounting any impairment loss.</p>   |
| (ii)  | <p>If management is unable to estimate the impact, reasons for the same: Not Applicable</p>   |
| (iii) | <p>Auditors' Comments on (i) or (ii) above: ii.</p> <p>The Parent Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 33,793.84 lakhs as on March 31, 2022 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.</p>   |



### III. Signatories:

Whole Time Director

Saurabh  
Kalani

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by Saurabh  
Kalani  
Date: 2022.05.30  
19:13:59 +05'30'



Saurabh Kalani  
Place : Pithampur  
Date : May 30, 2022

Chairman Of Audit Committee

ANIRUDH  
C  
SONPAL

Digitally signed  
by ANIRUDH C  
SONPAL  
Date: 2022.05.30  
19:57:05 +05'30'



Anirudh Sonpal  
Place : Vadodara  
Date : May 30, 2022

Chief Financial Officer

Ramesh  
Chand  
Sharma

Digitally signed  
by Ramesh  
Chand Sharma  
Date: 2022.05.30  
19:21:47 +05'30'



Ramesh Chand Sharma  
Place : Pithampur  
Date : May 30, 2022

For Sanjeev Omprakash Garg & Co.  
Chartered Accountants  
ICAI Firm Registration No. 008773C

THAKUR  
SHADIJA  
A

Digitally signed  
by THAKUR  
SHADIJA  
Date: 2022.05.30  
20:34:24 +05'30'



Thakur Shadija  
Partner  
Membership No.: 420757  
UDIN:  
Place : Indore  
Date : May 30, 2022

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

Mahesh  
Solanki

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by Mahesh C. Solanki  
Date: 2022.05.30  
19:57:05 +05'30'



Mahesh Solanki  
Partner  
Membership No.: 074991  
UDIN:  
Place : Indore  
Date : May 30, 2022

**Sanjeev Omprakash Garg & Co.**  
**Chartered Accountants**  
413, Fortune Ambience,  
South Tukoganj,  
Indore -452001

**Mahesh C. Solanki & Co.**  
**Chartered Accountants**  
803, Airen Heights, PU-3, Scheme  
No-54, Opp. Malhar Mega Mall  
A.B.Road, Indore – 452 010

**Independent Auditor’s Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

**To the Board of Directors of Flexituff Ventures International Limited**

**Report on the Audit of Consolidated Financial Results**

**Qualified Opinion**

We have audited the accompanying consolidated annual financial results of Flexituff Ventures International Limited (hereinafter referred to as the ‘Holding Company’ or ‘Parent Company’) and its subsidiaries (Holding Company / Parent Company and its subsidiaries together referred to as “the Group”), for the quarter and year ended March 31, 2022, (‘the Statement’) attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

- (i) include the annual financial results of the following entities: -

| <b>Sr. No.</b> | <b>Name of the Company</b>                               | <b>Relationship with the Holding Company #</b> |
|----------------|--|--|
| 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



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- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2022.

### **Basis for Qualified Opinion**

- a) Our limited review report on the unaudited consolidated financial results of the Company for the quarter ended December 31, 2021 was qualified in respect of the matters stated below:
  - i. The Parent Company has recognized deferred tax asset (net) of Rs. 7,399.85 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 Parent 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 March 31, 2022 would have been higher by Rs. 7,399.85 Lakhs and other equity as on that date would have been lower by the same amount. (Refer Note No. 5 forming part of the results).
  - ii. The Parent Company’s Cash Generating Unit (“CGU”) viz. Kashipur cluster, has a carrying value of Rs. 33,793.84 lakhs as on March 31, 2022 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.
  - iii. The Parent Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended March 31, 2020; Rs 1714.41 lakhs for the year ended March 31, 2021 and Rs 2,030.70 lakhs for the year ended March 31, 2022 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 March 31, 2020 is understated by Rs 1,832.91 lakhs; for the year ended March 31, 2021 is understated by 1714.41 lakhs and for the year ended March 31, 2022 is understated by 2,030.70 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 6 to the Statement).



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We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, 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 and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

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

We draw attention to Note 3 to the Statement which states that the Parent Company has incurred net losses of Rs. 9,439.67 lakhs during the year ended March 31, 2022 and has a net current liability position of Rs. 43,725.25 lakhs as on that date and describes certain loans for which the Parent Company is in default. Further, the Parent Company's ability to meet its future obligations is dependent on restructuring of its loans. These conditions indicate significant doubt on the Parent Company's ability to continue as going concern. The Parent 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 has been prepared on a going concern basis. Our opinion on the Statement is not modified in respect of this matter.

### **Board of Directors' Responsibilities for the Consolidated Financial Results**

This Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Statement 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 Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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



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Board of Directors either intends to liquidate the Group 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 are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated 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 this 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 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 made by the Board of Directors.
- Conclude on the appropriateness of the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Group to cease to continue as a going concern.



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- 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 information 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 information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

#### **Other Matters**

1. The Statement include the audited Financial Results of 12 subsidiaries, whose Financial Statements reflect Group's share of total assets (before consolidation adjustments) of Rs. 8,823.78 lakhs as at March 31, 2022, Group's share of total revenue (before consolidation adjustments) of Rs. 129.80 lakhs and Rs. 263.83 lakhs and Group's share of total net loss after tax (before consolidation adjustments) of Rs. (23.60) lakhs and Rs. 62.47 lakhs for the quarter ended March 31, 2022 and for the year ended on that date respectively, and net cash outflows of Rs. 50.37 lakhs for the year ended March 31, 2022, 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.



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2. The Statement include the unaudited Financial Results of two foreign subsidiaries (including a step-down 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. 326.04 lakhs as at March 31, 2022, Group's share of total revenue (before consolidation adjustments) of Rs. 19.15 lakhs and Rs. 20.26 lakhs and Group's share of total net loss after tax (before consolidation adjustments) of Rs. (16.68) lakhs and Rs. (0.33) lakhs for the quarter ended March 31, 2022 and for the year ended on that date respectively, and net cash outflows of Rs. 22.03 lakhs for the year ended March 31, 2022, as considered in the Statement. These unaudited financial statements has been approved and furnished to us by the Management and our conclusion on the Statement, 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 7 to the Statement)

Our opinion on the Statement is not modified in respect of this matter.

3. The Statement includes the results for the quarter ended March 31, 2022, 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

**For Sanjeev Omprakash Garg & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 008773C

**THAKUR SHADIJA** Digitally signed by  
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Date: 2022.05.30  
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**Thakur Shadija**  
Partner  
Membership No.: 420757  
UDIN: 22420757AJXWDK7653

Place: Indore  
Date: May 30, 2022

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

**Mahesh Solanki**



**Mahesh Solanki**  
Partner  
Membership No.: 074991  
UDIN: 22074991AJXXOA2942

Place: Indore  
Date: May 30, 2022

May 30, 2022

## **Reporting Matters:**

### **Audit Report**

Based on Understanding of the Company and its environment, including its internal control and performance of audit procedures, analytical reviews, nothing has come to the attention of the Auditors that results in modification of the Audit Report except for following:-

#### **Deferred Tax**

The Company has recognized deferred tax asset (net) of Rs. 7,399.85 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 March 31, 2022 would have been higher by Rs. 7,399.85 Lakhs and other equity as on that date would have been lower by the same amount. (Refer Note No. 5 forming part of the results).

#### **Impairment of Kashipur Cluster**

The Company's Cash Generating Unit ("CGU") viz. Kashipur cluster, has a carrying value of Rs. 33,793.84 lakhs as on March 31, 2022 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.

#### **Non-accrual of interest on loan outstanding to certain lenders**

The Company has not provided for interest charge (including penal interest) amounting to Rs. 1,832.91 lakhs for the year ended March 31, 2020; Rs 1714.41 lakhs for the year ended March 31, 2021 and Rs 2,030.70 lakhs for the year ended March 31, 2022 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 March 31, 2020 is understated by Rs 1,832.91 lakhs; for the year ended March 31, 2021 is understated by 1714.41 lakhs and for the year ended March 31, 2022 is understated by 2,030.70 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 6 to the Statement).

Further, joint auditors agree on following matters:

**Material Uncertainty with respect to Going Concern** due to significant net loss incurred by the Company, net current liability position, continuing default in repayment of loans and financial difficulty faced by the Company.

#### **Key Audit Matters**

There are no Key Audit Matters as Key Audit Matters have interplayed with modified opinion (SA 705, Revised) and material uncertainty with respect to Going Concern SA 570 (Revised).

#### **IFC Report**

No control deficiencies have been identified resulting in modification of Internal Financial Controls Opinion.

#### **CARO Report**

There are no reporting matters in CARO except for the following :

1. Disputed statutory dues clause and Statutory dues which were outstanding, as at March 31, 2022 for a period of more than six months from the date they became payable.
2. Default in repayment of dues to banks and financial institutions.
3. Cash Losses
4. Loans, Advances, Guarantee and Security provided by Company to Other Entity.

Flexituff Ventures International Limited  
Joint Auditors Closing Memorandum

5. The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the Company has not provided us with the quarterly Returns or statements filed by the Company to the banks or financial institutions. Accordingly, in the absence of required information we are unable to comment on whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company or not.

**Conclusion:**

Based on audit procedures performed: -

1. There have been no changes in the accounting principles or in the methods of applying them and there are no new transactions that have necessitated the application of a new accounting principle.
2. The financial statements do not contain any known uncorrected misstatements.
3. Related party transactions have been appropriately accounted for.
4. Financial and non-financial assets have been appropriately carried in the books.
5. There are no instances of fraud and non-compliance with laws and regulations.
6. There are no other non-compliances resulting in modification of opinion.
7. The accounting policies selected have been applied consistently and judgments and estimates that have been made are reasonable and prudent.
8. The financial statements agree and reconciles with the underlying accounting records.

For Sanjeev Omprakash Garg & Co.  
(Auditor for Pithampur Location)

THAKUR SHADIJA  
Digitally signed  
by THAKUR  
SHADIJA  
Date: 2022.05.30  
20:33:30 +05'30'



Thakur Shadija  
Partner  
Place : Indore  
Date : May 30, 2022

For Mahesh C. Solanki & Co.  
(Auditor for Kashipur Location)

Mahesh Solanki



Mahesh Solanki  
Partner  
Place : Indore  
Date : May 30, 2022