

Disclaimer

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospect and take informed investment decisions. This report and other statements- written and oral- that we periodically make, may contain forward- looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipates," "estimates", "expects", "projects", "intends", "plans", "believes" and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward looking statements will be realized, although we believe we have been prudent in our assumption. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

BOARD OF DIRECTORS

Chairman

Mr. Anirudh Sonpal

Whole Time Director

Mr. Saurabh Kalani

Mr. Kaushal Kishore Vijayvergiya

Mr. Manoj Kumar Dwivedi

Non Executive Director

Mr. Sharat Anand

Mr. Kevan John Upperdine

CCP Nominee Director

Mr. Kaushal Ganeriwal

Investor Director

Mr. Manas Tandon*

Bondholder Nominee Director

Mr. Vishwarupe Narain**

GM- Corporate Affairs & Company Secretary

Mr. D.K. Sharma

BANKERS

UCO Bank

Punjab National Bank

Central Bank of India

State Bank of India

State Bank of Patiala

Axis Bank

ICICI Bank

ING Vysya Bank

China Trust Commercial Bank

AUDITORS

L.K. Maheshwari & Co.

Chartered Accountants

Indore(M.P.)

COMMITTEES OF DIRECTORS

Audit Committee

Mr. Sharat Anand (Chairman)

Mr. Anirudh Sonpal

Mr. Kaushal Kishore Vijayvergiya

Mr. Manas Tandon***

Shareholders' & Investors' Grievance Committee

Mr. Sharat Anand (Chairman)

Mr. Anirudh Sonpal

Mr. Kaushal Kishore Vijayvergiya

Compensation Committee

Mr. Sharat Anand (Chairman)

Mr. Anirudh Sonpal

Mr. Kevan John Upperdine

Mr. Vishwarupe Narain***

Issue Management Committee

Mr. Saurabh Kalani (Chairman)

Mr. Kaushal Kishore Vijayvergiya

Mr. Manoj Kumar Dwivedi

Management Committee

Mr. Saurabh Kalani (Chairman)

Mr. Kaushal Kishore Vijayvergiya

Mr. Manoj Kumar Dwivedi

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd. (Formerly Intime Spectrum Registry Limited)

C- 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078

Tel.: 022-2596 3838 Fax: 022-2596 6969

REGISTERED OFFICE

304, Diamond Prestige

41-A, A.J.C. Bose Road, Kolkata- 700 017 (W.B.)

Tel. 033-32212690, 40053995.

Fax: 033-2231 2510

Email: investors@flexituff.com

* w.e.f 15th March, 2013 ** w.e.f 27th May, 2013 *** w.e.f 2nd August, 2013

MANUFACTURING FACILITIES

SEZ Unit

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

DTA Unit

94, Industrial Area, Sector-I,

Pithampur-454775, Dist. Dhar – Madhya Pradesh

Kashipur Unit

Khasra No. 672-728, Village- Mahuakhera, Aliganj Road, Kashipur, Dist. Udham Singh Nagar, Uttarakhand

MARKETING NETWORK

Mumbai, Kolkata, Hyderabad Bangalore, Indore, Chennai, Noida and Guwahati

Notice

NOTICE is hereby given that the 20th ANNUAL GENERAL MEETING of the Members of FLEXITUFF INTERNATIONAL LIMITED will be held on Monday, 30th day of September, 2013 at 10:00 A.M. at 'Kalakunj' – Kalamandir, 48 Shakespear Sarani, Kolkata – 700017, West Bengal to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the Financial Year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares of the company.
3. To appoint a director in place of Mr. Anirudh Sonpal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Kaushal Ganeriwal who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. Kaushal Kishore Vijayvergiya who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditor to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company and to fix remuneration and to pass the following resolution thereof:

"RESOLVED THAT M/s BSR & Co., Chartered Accountants, Mumbai (Firm Registration No. 101248W) be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring auditor Mr. LK Maheshwari & Co., Chartered Accountant; to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration and out of packet expenses as shall be fixed by the Board of Directors of the Company in consultation with the Auditors."

SPECIAL BUSINESS

7. To consider, and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT Mr. Manas Tandon, in respect of whom company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for

the directorship, be and is hereby appointed as Investor Director of the Company, who shall not be liable to retire by rotation;

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do the needful to give effect to this resolution."

8. To consider, and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT Mr. Vishwarupe Narain in respect of whom company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the directorship, be and is hereby appointed as Bondholder Nominee Director of the Company, who shall not be liable to retire by rotation;

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do the needful to give effect to this resolution."

9. To consider, and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to consent, sanctions and permissions of appropriate authority, departments or bodies as may be necessary, the authorised share capital of the Company i.e. ₹30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore) equity shares of ₹10/- (Rupee Ten only) each be increased to ₹40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) equity shares of ₹10/- (Rupee Ten only) each ranking pari passu with the existing shares in the Company with the power of Board to decide on the extent of variation in such right and to convert from time to time, such shares into any class of shares;

RESOLVED FURTHER THAT the Memorandum of

Association of the Company be altered by substituting the existing Clause V thereof by the following Clause V;

- V. The Authorised Share Capital of the Company is ₹40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) equity shares of ₹10/- (Rupee Ten only) each.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do the needful to give effect to this resolution.”

By Order of the Board

Place: Pithampur
Date: 02.08.2013

D. K. Sharma
GM- Corporate Affairs & Company Secretary

NOTES:

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
3. All documents referred to in the Notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
4. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 23rd SEPTEMBER 2013 TO 30th SEPTEMBER 2013 (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF PAYMENT OF DIVIDEND, IF DECLARED BY AT THE ANNUAL GENERAL MEETING.
5. Dividend, if approved, will be paid to those members whose names appear in the Register of Members as on 30th September 2013. In respect of shares held in electronic mode, the dividend will be paid on the basis of the beneficial ownership as per details to be received from the depositories, as the end of business on 30th September 2013. In case of shareholders holding shares in physical mode, the instruments of transfer shall be lodged with the Registrar and Transfer Agent so as to reach them on or before 22nd September 2013.
6. Members / Proxies are requested to
 - (i) bring the attendance slip duly annexed herewith, duly filled in, and their copy of Annual Report to the meeting for attending the meeting.
 - (ii) notify to the Company, immediately, quoting Registered Folio no./ Client ID & DP ID Nos., Change in their address, if any, in all correspondence with the pin code number.
7. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
9. Members are requested to send their queries, if any, at least 7 days prior to the date of the meeting at the registered office of the company so that information can be made available at the meeting.

By Order of the Board

Place: Pithampur
Date: 02.08.2013

D. K. Sharma
GM- Corporate Affairs &
Company Secretary

EXPLANTORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.7

Mr. Manas Tandon was appointed as an Investor Director (TPG Growth II SF Pte. Ltd) by the Board of Directors of the Company at their meeting held on 15th March, 2013 under section 260 of the Companies Act, 1956 read with clause 125B of Articles of Association of the Company.

The Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend appointment of Mr. Manas Tandon as regular director, who shall not be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Manas Tandon and Mr. Vishwarupe Narain, are concerned or interested in this Resolution.

ITEM NO.8

Mr. Vishwarupe Narain was appointed as a Bondholder Nominee Director (TPG Growth II SF Pte. Ltd) by the Board of Directors of the Company at their meeting held on 27th May, 2013 under section 260 of the Companies Act, 1956.

The Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend appointment of Mr. Vishwarupe Narain as Bondholder Nominee Director, who shall not be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Vishwarupe Narain and Mr. Manas Tandon, are concerned or interested in this Resolution.

ITEM NO. 9

Present Authorised Capital is enough to incorporate/accommodate conversion of ESOP Options and Foreign Currency Convertible Bonds. However for future projects in pipeline your Board of Directors proposes to increase the Authorised Share Capital of the Company.

Item no. 9 proposes to increase the Authorised Share Capital of the Company, accordingly Clause "V" of the Memorandum of the Association is required to be altered.

Alteration in the memorandum of association for increase in authorised share capital requires approval of members of the Company by way of Ordinary Resolution. Hence, your Directors recommend passing resolution as set out in item No. 9 of the notice as Ordinary Resolution.

None of the directors of the Company are interested except to the extent of their shareholding in the Company.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

S. No	Name of Director	Age	Qualification	Date of Appointment	Expertise	Other Directorships (Excluding Pvt. Companies) as on 31st March, 2013	Chairman / Member of the Committees as on 31st March, 2013
1	Mr. Manas Tandon	35 years	B. Tech., M.B.A.	15th March, 2013	He is a senior member of TPG Growth II SF Pte. Ltd. Prior to joining TPG Growth, he was Vice President of Matrix India where he was responsible for investment in financial services and telecom. Prior to that he was based in Boston for several years and held leadership position at several early stage telecom startup including Camiant (acquired by Tekelec), Narad Network (acquired by Ciena) and Max Comm. Technologies (acquired by Cisco). He has done B. Tech from Indian Institute of Technology, Kanpur where was a silver medalist and MBA from The Wharton School where he was a palmer scholar.	1. Securevalue India Ltd. 2. India Transact Services Ltd.	NIL

S. No	Name of Director	Age	Qualification	Date of Appointment	Expertise	Other Directorships (Excluding Pvt. Companies) as on 31st March, 2013	Chairman / Member of the Committees as on 31st March, 2013
2	Mr. Vishwarupe Narain	39 years	B.E. (Mech.)	27th May, 2013	He has completed his MBA with a certificate in Global Management from Stanford University, CA and Integrated Master of Technology from Indian Institute of Technology, New Delhi having 12 years of global experience including 6 years of private equity experience in a variety of sectors including energy, media, technology and real estate. He consulted for top-tier finance firms to assist with due diligence and financial analysis. He also worked with Fortune-500 clients in Europe and US on strategy, finance and technology issues.	AGS Transact Technology Ltd.	Audit Committee: AGS Transact Technology Ltd. - Member
3	Mr. Anirudh Sonpal	53 years	FCA	12th December, 2010	He has graduated from Sydenham College of Commerce & Economics, Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India. His core areas of practice include Internal, Management & Operations Audit, Internal Controls, Risk Management, Corporate Governance and Indirect Taxes. He has actively participated in the activities of the ICAI at Branch and Regional levels. He has been nominated by various forums and associations in their committees. He has presented papers at various seminars organized by professional bodies and industry associations.	1.Overseas Synthetics Limited	Audit Committee: 1.Flexituff International Limited - Member 2. Overseas Synthetics Limited- Chairman Shareholders' & Investors' Grievance Committee: 1.Flexituff International Limited - Member
4.	Mr. Kaushal Ganeriwal	32 years	PGDM	9th February, 2012	He is a Senior Member of Clearwater Capital Partners. Prior to joining Clearwater, he held positions of increasing responsibility at ICICI Bank Limited across various functions which included Proprietary trading, structuring, securitization & managing stressed assets.	NIL	NIL
5	Mr. Kaushal Kishore Vijayvergiya	54 years	FCA, FCS, FCWA	30th May, 2012	He has more than 31 years experience in the corporate sector in the field of corporate finance, accounting etc. He has worked with various renowned corporates like Sandoz (India) Ltd., Ferro Alloys Corporation Ltd., Modern Syntex (I) Ltd., Jaipur Metal & Electrical Limited. He has also served as Managing Director of Sashak Noble Metals Ltd., Executive Director of Indore Wire Co. Ltd., Project Director of Sayaji Hotels Ltd. for its project at Pune and CEO of Sanghi Brothers (Indore) Pvt. Ltd.	NIL	Audit Committee and Shareholders' & Investors' Grievance Committee: of Flexituff International Limited - Member

Note: None of the Directors hold any shares in the Share Capital of the Company

By Order of the Board

Place: Pithampur
Date: 02.08.2013

D. K. Sharma
GM- Corporate Affairs & Company Secretary

Directors' report



To,
The Members,

The Board of Directors presents its Twentieth Directors' Report on Company's business and operations together with the Audited Financial Statements for the year ended 31st March 2013.

FINANCIAL RESULTS AND APPROPRIATION

(₹ in million)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Sales & other incomes	8668.33	6227.83	9742.97	7471.90
Profit before interest, depreciation & Tax	1295.72	1071.64	1335.92	1162.23
Profit before Tax	451.86	448.46	434.51	490.48
Profit after Tax	360.10	343.60	338.70	378.39
Profit for the year / Balance available for Appropriation	276.36	343.60	259.12	378.04
Less: Appropriation				
Proposed dividend on equity shares & tax	26.71	25.25	26.71	25.25
Equity dividend and tax of earlier year	0.02	-	0.02	-
Surplus carried to Balance Sheet	249.63	318.35	232.39	352.79

FINANCIAL PERFORMANCE HIGHLIGHTS

During the period under review, Standalone Sales and other incomes of the Company stood at ₹8668.33 Million as against that of ₹6227.83 Million in the previous year showing a growth of 39.19%. Company's Profit before interest, depreciation and tax increased to ₹1295.72 Million from ₹1071.64 Million at a growth rate of 20.91%.

The Consolidated Sales and other incomes were higher at ₹9742.97 Million, up by 30.39% as compared to ₹7471.90 Million in the previous year. Company's Consolidated Profit after tax (PAT) decreased by 10.49% from ₹378.39 Million to ₹338.70 Million.

EXPORT SALES

The company recorded a growth of 6.93% in export sales from ₹4491.48 Million in the previous year to ₹4802.75 Million in this year.

Your Board is pleased to recommend a dividend of 10% on the equity share capital of the Company i.e. ₹1.00 per equity share for the year ended 31st March 2013.

DIVIDEND

Your Board is pleased to recommend a dividend of 10% on the equity share capital of the Company i.e. ₹1.00 per equity share for the year ended 31st March 2013. The dividend, if approved, will be paid to the members within the time period stipulated by the Companies Act, 1956.

CREDIT RATING FOR BANKING FACILITIES

M/s Credit Analysis & Research Limited (CARE) on April 2, 2013 has reaffirmed CARE BBB+ (Triple B+) credit rating for Long Term Facility and CARE A3+ for Short Term Facility which indicates moderate degree of safety regarding timely servicing of financial obligations.

PRIVATE PLACEMENT AND FCCB ISSUE

The Company has issued and allotted 1227273 Equity Shares on Preferential Basis under Private Placement, at a price of ₹220/- per Equity Share inclusive of a premium of ₹210/- per Equity Share to TPG Growth II SF Pte. Ltd. on 15th March, 2013.

The Company has issued 5.44% Foreign Currency Convertible Bonds (the "FCCBs") amounting to USD 25 Million. These FCCBs are convertible by the exercise of option by Bondholder i.e. TPG Growth II SF Pte. Ltd. into fully paid up equity shares of the Company at any time after the maturity date i.e. 26th April, 2018.

UTILISATION OF IPO FUND

The proceeds from the initial issue of equity shares have been fully utilized by the Company and same has been reported in Consolidated Result (unaudited) for the quarter ended on June 30, 2012. However expected date of installation, trial run and commercial production for dripper machineries is upto October 2013.

AWARDS & CERTIFICATIONS

During the year both the Prestigious Food Grade Certificate i.e. American Institute of Baking Certificate (USFDA) and

British Retail Consortium Certificate (BRC) were renewed.

Besides certification above your Company is accredited by ISO 14001: 2004, ISO 22000:2005 & ISO 9001-2008 certifications.

Your Company is a major exporter of FIBC and woven products from India and has received the Top Exporter Award from the PLEXCOUNCIL, Ministry of Commerce from 2005-06 to 2010-11.

SUBSIDIARIES

Your Company has three direct subsidiaries and two steps down subsidiaries. None of the subsidiaries have a negative net worth.

Subsidiaries

M/s Satguru Polyfab Private Limited, Gandhidham
M/s Nanofil Technologies Private Limited, Kolkata
M/s Flexiglobal Holdings Limited, Cyprus

Step-down Subsidiaries

M/s Flexiglobal (UK) Limited, UK
M/s Lakshmi Incorporated, USA

The financial details of the subsidiary companies as well as the extent of holdings therein are provided in a separate section of this Annual Report.

The Ministry of Corporate Affairs has, vide General Circular No. 2/2011 dt. 8th February, 2011, granted general exemption for not attaching the annual accounts of the subsidiary companies with the annual accounts of holding company.

Pursuant to the said circular, the Board of Directors of your company in their meeting held on 27th May 2013 has given its consent, for not attaching the Annual Accounts of the Subsidiary Companies with that of the Holding Company, instead has published the audited consolidated financial statements in the Annual Report. Accordingly, the annual accounts of Subsidiary Companies

and all other documents required to be attached under section 212(1) of the Act to the Balance Sheet of the Company shall not be attached. However, these documents shall be made available upon request by any member of the Company interested in obtaining the same and shall also be kept for inspection at the Registered Office of your Company and that of Subsidiary Companies concerned. Further, the financial data of the Subsidiary Companies has been furnished along with the statement pursuant to section 212 of the Companies Act, 1956 forming part of this Annual Report.

EMPLOYEE STOCK OPTION SCHEME, 2011

Your Company has allotted 21550 equity shares of ₹10/- each under ESOP Scheme 2011 in Board Meeting held on 30th May, 2012. The updates on the stock options are as under:

Total No. of Options Granted	1061750
Less: Options exercised on 9 Feb,2012	19700
Less: Options exercised on 30 May,2012	21550
Less: Options cancelled due to resignation/ surrender (June,2012)	70750
Less: Options cancelled due to resignation/ surrender (May,2013)	150450
Total Outstanding Options	799300

DIRECTORS

Mr. Manas Tandon, nominated by TPG Growth II SF Pte. Ltd. was appointed as Investor Director w.e.f. 15.03.2013.

Mr. Vishwarupe Narain was appointed as Bondholder Nominee Director w.e.f. 27.05.2013.

There are three directors liable to retire by rotation of the ensuing Annual General Meeting namely, Mr. Anirudh Sonpal, Mr. Kaushal Ganeriwal and Mr. Kaushal Kishore Vijayvergiya. Retiring directors being eligible offer themselves for re-appointment. The board recommends their reappointment for your approval.

AUDITORS

M/s L.K. Maheshwari & Co, Chartered Accountants, Indore, Statutory Auditor of the Company holds office upto the conclusion of forthcoming Annual General Meeting.

Your Company has received a certificate from M/s BSR & Co., Chartered Accountants regarding their eligibility for appointment as statutory auditors as per Section 224(1B) of the

Companies Act, 1956 along with their consent for appointment. The board recommends the appointment of M/s BSR & Co., Chartered Accountants, Mumbai, as statutory auditors of the Company.

AUDITORS' REPORT

The observations made in the Auditors' Report, read with the relevant notes thereon are self explanatory and hence do not call for any further comments under section 217 of the Companies Act, 1956.

AUDIT COMMITTEE

The Company has constituted Audit Committee, pursuant to the provisions of Section 292A of the Companies Act, 1956 and provisions of the Listing Agreement. The Composition, Scope and powers of Audit Committee together with details of meetings held during the period under review forms part of Corporate Governance Report.

COST AUDITOR

During the year your Company has appointed M/s Vijay P. Joshi & Associates, Indore as Cost Auditor of the Company.

PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

CODE OF CONDUCT

The Board has laid down a code of conduct for Members of the Board and Senior Management personnel of the Company. Members of the Board and Senior Management have affirmed compliance with the said code of conduct for the Financial Year 2012-13.

INDUSTRIAL RELATIONS

The Board is pleased to inform you that Industrial relations have continuously been cordial at all levels throughout the year. The Board of Directors place on record their deep appreciation for the sincere, devoted and dedicated team work of all employees at all levels to meet the quality, cost and delivery requirements of the customers.

PARTICULARS OF EMPLOYEES

There are no employee who come under the provisions of Section 217(2-A) of the Companies Act, 1956 read with

Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

These fields continue to be the areas for improvement and of major progress. Keeping in view the escalation in energy cost, our organization is continuously endeavoring to find new and better ways for optimization of energy cost in its various manufacturing operations.

In compliance with Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, statement giving information regarding Energy Conservation, Technology Absorption and Foreign Exchange earnings and out go is given in Annexure- A forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. that the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that the Directors have prepared the annual accounts on a going concern basis.

REPORT ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report forms part of the Annual Report as Annexure – B. Your Company is in full compliance with the requirements and disclosures as stated therein. A certificate from the Practicing Company

Secretary confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

DEMATERIALISATION

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31st March 2013, 95.10 % equity shares are in Demat form and remaining 4.90 % equity shares are in physical form.

ELECTRONIC REGISTRAR

Our registrar for electronic connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) is M/s. Link Intime India Private Limited, Mumbai (Formerly M/s Intime Spectrum Registry Limited).

HUMAN RESOURCE MANAGEMENT

Human Resource plays vital role in your company. If Finance is the blood of any organization then Human Resource is not less than pulse which keeps running production by their hard work day and night. Your company has performance management process to motivate people to give their best output and encourages innovation and meritocracy. Your Company has continued to maintain cordial and harmonious relation with employees and the board places on record their appreciation and sincere thanks towards their contribution to the Company's performance during the year.

APPRECIATION

The Board takes this opportunity to express its sincere appreciation for the excellent support and corporation received from company's bankers, investors, customers, suppliers, statutory authorities for their consistent support to the Company.

The Directors also sincerely acknowledge the outstanding support and services of the workers, staff and executives of the Company, which have together contributed to the efficient operations and management of the Company.

FOR AND ON BEHALF OF THE BOARD

Whole Time Director Whole Time Director

Place: Pithampur

Date: 2nd August, 2013

ANNEXURE- A

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

FORM A

Form for disclosure of particulars with respect to conservation of energy

POWER AND FUEL CONSUMPTION

Electricity	Current Year	Previous Year
Unit Purchased	15895931	15630805
Total Amount (₹)	7,27,86,088	7,16,37,210
Rate per Unit (₹)	4.57	4.58
Sp. Power consumption/kg	1.23	1.26
Exp. / kg. of Input (₹)	4.54	5.89

Plant and machinery were handled effectively to improve the productivity and reduce the power consumption like -

- Replacement of old melts pumps with newly developed pumps to enhance productivity and reduce energy consumption cost.
- Old reflectors and covers of lights are being replaced by new ones to improve illumination level and to improve productivity.
- Positioning control drives in fabric auto cutting m/c were provided to improve the cut length variation thereby saving cost.

Our company has continued its endeavor to adopt latest technologies and procure highly advanced machine for its products and to meet the requirements of globally competitive market.

FOR AND ON BEHALF OF THE BOARD

Place: Pithampur

Date: 2nd August, 2013

Whole Time Director

Whole Time Director

FORM B

Form for disclosure of particulars with respect to absorption

RESEARCH & DEVELOPMENT

Major Research & Development activities carried out are as under:

1. Successful development of high tenacity 2.5 mm wide 1400 denier conductive tape successfully developed.
2. Use of higher tenacity Multi Filament tapes in Conductive R fabric Production to bring down the weight of tape for the same strength.
3. Special Dissipative Type Fabric for FIBC were developed, so that it becomes static dissipative and can pass ignition test and can retain its lamination up to 5 washing cycle. Some modification done on the circular looms so that d type fabric can be produced with the same productivity as in normal PP fabric.
4. In house development of Co- Extruded nylon liner with the help of base.
5. Soft PP fibrillated twisted yarn developed for food grade bags.
6. Development of PP Based carbon black compound for making conductive tapes.

7. Pharma grade liners and FIBC Bags are being developed for pharma industry.
8. Production of Dissipative Type Fabric on sulzer looms at Kashipur unit

Future plan of action:

The company focuses on improving existing technologies and product engineering innovation through continuous expenditure on R&D in the forthcoming years also, so that the research and development opens new avenues for the Company along with new products and cost efficient processes.

1. Dripper Project at Kashipur Unit
2. Geo Grid Project at Kashipur
3. Pet Fiber Project at Kashipur
4. PP Multi Filament Fabric Project at DTA & Kashipur Unit

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continues to import technically upgraded machines for its products and performance. New technology so adopted has enabled us to produce and market our products in various new markets. We are in a position to produce high value of FIBC for pharmaceuticals sector and special fabrics and liner for the export market like Japan, pharmaceutical companies in Europe, fabric export market in South America & Australia and liner export market in North America.

FOR AND ON BEHALF OF THE BOARD

Place: Pithampur

Date: 2nd August, 2013

Whole Time Director

Whole Time Director

ANNEXURE- B To The Directors' Report

Corporate Governance



1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Board believes that Better Corporate Governance is the secret formula for the success and long survival of the Company as well as to represent its culture, policies and the manner to deal with stakeholders with timely disclosure of financial status, performance to the public to improve organization in better way through which they will attract to the Company and trust and confidence of the investors, stakeholders would enhance.

Corporate Governance is a reflection of your Company's commitment towards your beliefs, values, ethical business conduct as well as how organization is managed.

We strive to attain high standards of corporate governance while interacting with all our stakeholders.

The Company has complied with the corporate governance code as stipulated under the listing agreement with the stock exchanges. A separate section on Corporate Governance along with a certificate from the Practicing Company Secretary confirming the level of compliance is annexed and forms a part of the Directors' report.

2. BOARD OF DIRECTORS

(A) Composition of Board, Meeting & Attendance:

On 31st March, 2013, your Board comprised of eight Directors, of which the Chairman is a Non-Executive Independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, your Company has three Executive Director and five Non-Executive Directors of who three are Independent Directors.

During the year, the meetings of the Board of Directors were convened 8 (eight) times on 30.05.2012, 13.08.2012, 24.09.2012, 06.11.2012, 06.12.2012, 14.02.2013, 11.03.2013 and 15.03.2013. During the financial year Board consisted of the following:

Name of Director	DIN	Category	No. of Board Meetings attended	Attendance at last AGM	Directorship in other Companies (excluding private limited companies)	Member (M) / Chairman (C) in No. of Board Committees including other Companies (as declared to the Company) #	Share holding
Mr. Anirudh Sonpal	03367049	C, NE, I	4	No	1	1C, 2M	NIL
Mr. Sharat Anand	00083237	NE, I	4	Yes	0	2C	NIL
Mr. Kevan John Upperdine	01214264	NE, I	0	No	0	0	NIL
Mr. Kaushal Ganeriwal	03497193	CCP-ND	2	No	0	0	NIL
Mr. Saurabh Kalani (w.e.f. 30.05.2012)	00699380	E, W	7	Yes	1	0	NIL

Your Company is a major exporter of FIBC and woven products from India and has received the Top Exporter Award from the PLEXCOUNCIL, Ministry of Commerce from 2005-06 to 2010-11.

Name of Director	DIN	Category	No. of Board Meetings attended	Attendance at last AGM	Directorship in other Companies (excluding private limited companies)	Member (M) / Chairman (C) in No. of Board Committees including other Companies (as declared to the Company) #	Share holding
Mr. Kaushal Kishore Vijayvergiya (w.e.f. 30.05.2012)	01941958	E, W	7	Yes	0	2M	NIL
Mr. Manoj Kumar Dwivedi (w.e.f. 30.05.2012)	05290255	E, W	6	No	0	0	NIL
Mr. Manas Tandon (w.e.f. 15.03.2013)	05254602	ID	0	No	2	0	NIL
Mr. Manish Kalani (upto 24.09.2012)	00169041	MD	1	No	1	0	11400
Mr. Pawan Kumar Jain (upto 30.05.2012)	00012279	NE	0	No	1	2M	NIL
Mr. Ravindra Kumar Chourasiya (upto 30.05.2012)	00061084	NE	0	No	0	0	NIL

For the purpose of reckoning the limit of Committees on which a director can serve, Chairmanship/ membership of the Audit Committee and Shareholders' & Investors' Grievance Committee alone have been considered.

Abbreviations:

C: Chairman, E: Executive Director, NE: Non Executive Director, I: Independent Director, W: Whole Time Director, MD: Managing Director, CCP-ND: CCP Nominee Director, ID: Investor Director

(B) Non Executive directors' Compensation and Disclosures

The sitting fees paid to Non-executive Directors was ₹1000/- per board meeting which was enhanced to ₹5000/- per board

meeting from 14th February, 2013. No commission was paid or payable to the Non-executive Directors during the year 2012-13.

During the year, sitting fees paid to Non-executive Directors was ₹16000/-* details of which are as below;

S.No.	Name of Director	Amount
1	Mr. Anirudh Sonpal	8000/-
2	Mr. Sharat Anand	8000/-

* Mr. Kaushal Ganeriwal has not taken any sitting fees.]

3. AUDIT COMMITTEE

Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement.

Composition & Meetings:

The Audit Committee was reconstituted on May 30, 2012. The Committee met four times during the year, i.e. 30.05.2012, 13.08.2012, 06.11.2012 and 14.02.2013. The constitution of the Committee and the attendance of each member of the Committee are given below:

Name of Committee Member	Designation	Category	Committee Meetings Attended
Mr. Sharat Anand	Chairman	Independent Director	3
Mr. Anirudh Sonpal	Member	Independent Director	4
Mr. Kaushal Kishore Vijayvergiya (w.e.f. 30.05.2012)	Member	Executive Director	3
Mr. Pawan Kumar Jain (upto 30.05.2012)	Member	Non Executive Director	0

Secretary to the Committee: Mr. D. K. Sharma, GM- Corporate Affairs & Company Secretary.

4. SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE

The committee was reconstituted on May 30, 2012. The committee, under the chairmanship of non-executive independent director specifically look into the redressal of shareholder and investor complaints. There were not any investor grievances which were pending for more than 21 days during the year.

Composition & Meetings:

Committee duly met 4 (Four) times during the year, i.e. 30th May, 2012, 13th August, 2012, 6th November 2012 and 14th February, 2013.

Name of Committee Member	Designation	Category	Committee Meetings Attended
Mr. Sharat Anand	Chairman	Independent Director	3
Mr. Anirudh Sonpal	Member	Independent Director	4
Mr. Kaushal Kishore Vijayvergiya (w.e.f. 30.05.2012)	Member	Executive Director	3
Mr. Pawan Kumar Jain (upto 30.05.2012)	Member	Non Executive Director	1

Secretary to the Committee: Mr. D. K. Sharma, GM- Corporate Affairs & Company Secretary.

5. COMPENSATION COMMITTEE

The Committee recommends the appointment of key managerial personnel and considers remuneration payable to them.

Composition & Meetings:

During the year Committee duly met 1 (One) time i.e. 15th May 2012.

Name of Committee Member	Designation	Category	Committee Meetings Attended
Mr. Sharat Anand	Chairman	Independent Director	1
Mr. Anirudh Sonpal	Member	Independent Director	1
Mr. Kevan John Upperdine	Member	Independent Director	0

Secretary to the Committee: Mr. D. K. Sharma, GM- Corporate Affairs & Company Secretary.

6. Management Committee

Management committee was reconstituted on May 30, 2012. Management committee has been delegated with an authority in relation to procurement and management of funds for existing and future projects of the Company. Management committee is also authorised to approve and execute deeds, documents, undertakings and declaration as may be required by the lender banks/ institutions in connection with the debt financing of the company.

The committee also has the powers and authority in relation to day to day management of affairs such as:

1. Administration and management
2. Production
3. Strategic Planning
4. Expansion and Performance review
5. Marketing
6. Fund & Project Execution etc.

Composition:

The Committee duly met 15 (Fifteen) times during the year. The composition and attendance of committee is as under:

Name of Committee Member	Designation	Category	Committee Meetings Attended
Mr. Saurabh Kalani (w.e.f. 30.05.2012)	Chairman	Executive Director	13
Mr. Kaushal Kishore Vijayvergiya (w.e.f. 30.05.2012)	Member	Executive Director	13
Mr. Manoj Kumar Dwivedi (w.e.f. 30.05.2012)	Member	Executive Director	13
Mr. Sharat Anand (up to 30.05.2012)	Chairman	Independent Director	0
Mr. Manish Kalani (up to 30.05.2012)	Member	Executive Director	2
Mr. Pawan Kumar Jain (up to 30.05.2012)	Member	Non Executive Director	2
Mr. Ravindra Chourasiya (up to 30.05.2012)	Member	Non Executive Director	2

Secretary to the Committee: Mr. D. K. Sharma, GM- Corporate Affairs & Company Secretary

7. ISSUE MANAGEMENT COMMITTEE

The issue management committee was constituted on March 11, 2013 for various formalities relating to issue of equity shares on preferential basis and Foreign Currency Convertible Bonds.

Composition & Meetings:

During the year Committee met 1 (One) time on 18th March, 2013.

Name of Committee Member	Designation	Category	Committee Meetings Attended
Mr. Saurabh Kalani	Chairman	Executive Director	1
Mr. Kaushal Kishore Vijayvergiya	Member	Executive Director	1
Mr. Manoj Kumar Dwivedi	Member	Executive Director	1

Secretary to the Committee: Mr. D. K. Sharma, GM- Corporate Affairs & Company Secretary

8. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. D. K. Sharma
GM- Corporate Affairs & Company Secretary
Flexituff International Ltd
C 41-50, SEZ, Sector-3,
Pithampur, Dist. Dhar (M.P.) 454775
Contact No. 07292-401681-83
Fax: 07292- 401684

9. LAST 3 YEARS ANNUAL GENERAL MEETINGS

(a) Details of Annual General Meetings held in last 3 years are as under:

AGM	Day, Date & Time	Venue	Special Resolution Passed
17th	Thursday, September 30, 2010 at 11.00 A.M.	2nd Floor of Main Building, 19 R.N. Mukherjee Road, Kolkata-700 001 (W.B.)	Appointment of Mr. Saurabh Kalani as Chief Operating Officer for the period of 3 year w.e.f. July 1, 2010
18th	Friday, September 30, 2011 at 11.00 A.M.	2nd Floor of Main Building, 19 R.N. Mukherjee Road, Kolkata-700 001 (W.B.)	NIL
19th	Tuesday, September 25, 2012 at 11.00 A.M.	304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata-700 017 (W. B.)	Appointment of Mr. Kartikeya Kalani as Manager (Product Development) Alteration in Existing Clause 165 of Articles of Association

(b) Details of Extra Ordinary General Meeting held during the year are as under:

S.No.	Day, Date & Time	Venue	Special Resolution Passed
1.	Monday, March 11, 2013, at 11.00 A.M.	94, Industrial Area, Sector-1, Pithampur, Dist. Dhar (M.P.)	Preferential Issue of Equity Shares & Issue of Foreign Currency Convertible Bonds

10. Disclosures

a) Related Party Transactions

Related party transactions in terms of Accounting Standard-18 are set out in the notes to accounts. These transactions are not likely to have a conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee and the Board. All the related party transactions are negotiated on arms' length basis and are intended to further the interest of the Company.

b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

c) Risk Management

The Company has framed risk management policy for various risk exposures, hedging and cost reduction structure as permitted and defined by Reserve Bank of India.

d) Proceeds from public Issue, right issues, preferential issues etc.

The uses/ application of proceeds from public issue and preferential issue of equity shares have been disclosed to the Audit Committee as a part of quarterly declaration of financial results.

e) Remuneration of Directors

(i) The details of remuneration paid/payable to the Executive Directors w.e.f. 30th May, 2012 are as under:

Mr. Saurabh Kalani- Whole Time Director

Salary & Allowance	₹3,25,000 per month
Other benefits	1. Furnished accommodation. 2. Club fees (Up to 2 clubs). 3. Reimbursement of expenses which includes telephone expenses, Car, Driver salary.
Stock options	Growth - NIL Loyalty - NIL

Mr. Kaushal Kishore Vijayvergiya – Whole Time Director

Salary & Allowance	₹1,25,000 per month
Other benefits	Reimbursement of expenses which includes telephone expenses, Car, Driver salary.
Stock options	Growth - 13,500 Loyalty - NIL

Mr. Manoj Kumar Dwivedi – Whole Time Director

Salary & Allowance	₹1,73,353 per month
Other benefits	Reimbursement of expenses which includes telephone expenses, Car, Driver salary.
Stock options	Growth - 22,000 Loyalty - 11,800

Period from 30th May, 2012 to 31st March, 2013

(ii) The details of sitting fees paid/ payable to the Non Executive Directors are disclosed in point 2 (B) of this report.

f) Particulars of Directors to be appointed/re-appointed

Information pertaining to particulars of Directors to be appointed and re- appointed at the forth coming Annual General Meeting is been included in the Notice convening the Annual General Meeting.

g) Penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority.

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matters related to Capital Markets during the last three years.

11. CODE OF CONDUCT

The Company has adopted code of conduct for Members of the Board and Senior Management personnel. The code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website www.flexituff.com. The Board Members and Senior Management have affirmed their compliance with the code and a declaration signed by the Whole Time Director of the Company is annexed to this report.

12. CEO/CFO CERTIFICATION

Mr. Saurabh Kalani and Mr. Kaushal Kishore Vijayvergiya, Whole Time Directors have given CEO/CFO certificate on the Financial Statements of the company as per format prescribed under Clause 49 (V) of Listing Agreement to the Board at its meeting held on 02.08.2013.

13. NON- MANDATORY REQUIRMENT UNDER CLAUSE 49 OF LISTING AGREEMENT

The status of compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement is provided below:

i. The Board

The Chairman of the Company is non- executive and Independent Director. All the Directors including Independent Directors are appointed/ re-appointed by the Board from time to time. No maximum tenure for the Independent Directors has been specifically determined by the Board.

ii. Compensation Committee

The Company has set up a Remuneration Committee. The Composition, terms of reference and other details of the same are provided in this report under section "Compensation Committee"

iii. Shareholders' Rights

The quarterly, half yearly and annual financial result of the

Company are published in the news papers and are also posted on the Company's website. The complete Annual Report is sent to each and every shareholder of the Company.

iv. Audit Qualification

There is no Audit Qualification in the Company's financial statements for the year under reference.

v. Mechanism for evaluation of Non-Executive Directors

The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfils stakeholders' aspiration and societal expectations.

The Board has so far evaluated performance of Non-Executive Directors collectively to reinforce the principle of collective responsibility.

vi. Whistle Blower Policy

Clause 49 of the Listing Agreement between the Company and the Stock Exchanges, inter-alia, provides, a non mandatory requirement, to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

14. MEANS OF COMMUNICATION

The quarterly un-audited financial results duly approved by the Board of Directors are sent to all the Stock Exchanges where the Company's shares are listed immediately after the Board Meeting. The same are published in English and Bengali news papers in terms of Listing Agreement and in the format prescribed by the Stock Exchange. The Company also posts its financial results on its website i.e. www.flexituff.com and on websites of stock exchanges where shares of the Company are listed.

15. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date : 30th September, 2013

Day : Monday

Time : 10.00 AM

Venue : 'Kalakunj' – Kalamandir, 48 Shakespear Sarani, Kolkata – 700017, West Bengal

b. Financial Calendar

- Results for quarter ending 30.06.2013 : With in 45 Days from end of quarter
- Results for quarter ending 30.09.2013 : With in 45 Days from end of quarter
- Results for quarter ending 31.12.2013 : With in 45 Days from end of quarter
- Results for quarter ending 31.03.2014 : With in 60 Days from end of quarter

c. Book Closure Date

23rd September, 2013 to 30th September, 2013 (both days inclusive)

d. Dividend Payment Date

Dividend for the financial year 2012-13, if declared will be paid/ credited to the account of the shareholders on or after 30th September, 2013.

e. Listing of Equity Shares on Stock Exchanges

The equity shares are listed on the following Stock Exchanges:

1. BSE Limited, Mumbai
2. National Stock Exchange of India Limited, Mumbai

Note: Annual Listing Fees for the Year 2013-14 have been duly paid to both the above Stock Exchanges.

f. Stock Code

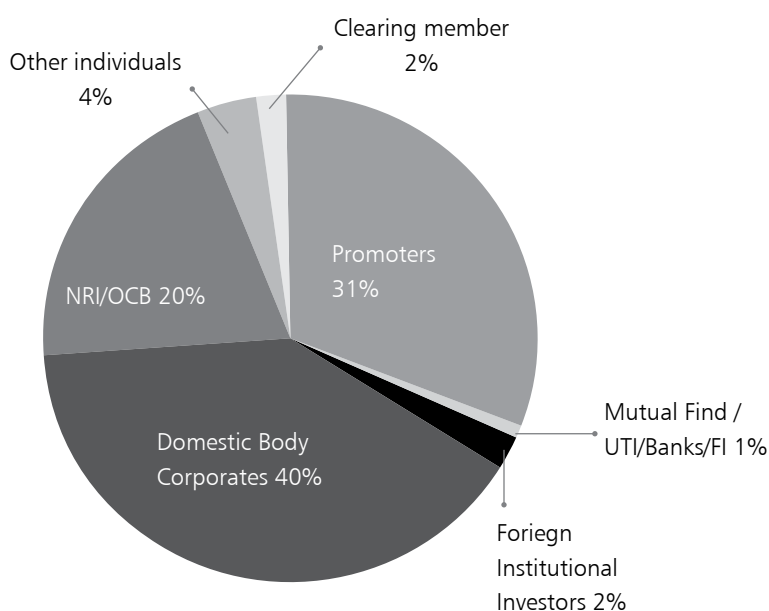
- Trading Symbol- National Stock exchange of India Limited : FLEXITUFF
- Trading Symbol- BSE Limited: 533638

g. ISIN Number of equity shares: INE060J01017**h. Stock Market Price data for the Year 2012-13**

Month and Year	BSE			NSE		
	High (₹)	Low (₹)	Traded Quantity	High (₹)	Low (₹)	Traded Quantity
Apr-12	338.20	239.05	1413063	338.70	190.15	2284658
May-12	384.55	260.00	1425586	384.45	237.70	2297395
Jun-12	327.80	215.05	672059	328.00	215.05	1059272
Jul-12	229.00	201.15	1247710	228.95	202.00	1827477
Aug-12	231.80	185.05	494273	232.00	195.25	700198
Sep-12	217.40	191.00	551570	217.20	191.00	542036
Oct-12	231.90	175.15	785752	231.95	183.40	1103597
Nov-12	250.80	190.00	1297480	251.00	192.00	1945892
Dec-12	250.80	176.10	993601	250.00	176.80	1606064
Jan-13	225.00	200.00	750893	228.00	200.00	1049585
Feb-13	258.25	132.05	1333676	258.90	128.65	3050226
Mar-13	239.95	150.60	748663	242.90	151.15	1402674

i. Shareholding Pattern As on 31st March, 2013

Category	No. of Shares	Percentage
Indian Promoters	7035038	30.61
Foreign Promoters	NIL	NIL
Mutual Funds & UTI	372	0.00
Banks, FIs, Insurance Companies	200000	0.87
Central/State Govt. Institutions/ Non-Govt. Institutions	NIL	NIL
Foreign Institutional Investors	505134	2.19
Domestic Bodies Corporate	9325394	40.58
NRIs / OCB / Foreign Companies	4590591	19.98
Clearing Members	428833	1.87
Other Individual	895271	3.90
Grand Total	22980633	100.00



j. Distribution Schedule as on 31st March, 2013

Nominal Value of Each Equity Share is ₹10/-

No. of Equity Shares held	No. of Share Holders	% of Shareholders	No. of Shares held	% of Total Shares held	Amount (in ₹)
1 to 500	784	82.79	44985	0.20	449850.00
501 to 1000	15	1.58	11788	0.05	117880.00
1001 to 2000	27	2.85	37801	0.16	378010.00
2001 to 3000	3	0.32	7421	0.03	74210.00
3001 to 4000	4	0.42	13610	0.06	136100.00
4001 to 5000	3	0.32	14732	0.06	147320.00
5001 to 10000	18	1.90	155314	0.68	1553140.00
10001 and above	93	9.82	22694982	98.76	226949820.00
Total	947	100.00	22980633	100.00	229806330.00

k. Dematerialization of shares and Liquidity

The Company has entered into necessary agreements with NSDL and CDSL for dematerialization of the shares held by investors. Shares held in Demat form with NSDL and CDSL constitute 95.10% and in physical 4.90%. . The Annual Custody Fee for the

financial year 2013-14 has been paid to both NSDL and CDSL.

1227273 equity shares allotted to TPG Growth II SF Pte. Ltd. for which corporate action was filed on 15th March, 2013 were credited to its account on 9th April, 2013.

I. Share Transfer System

The Share transfer document complete in all respects are registered and/or share transfers under objections are returned within stipulated time period.

m. Status of Unpaid Dividend

Dividend for the year	Total Amount of Dividend (₹ in lacs)	Amount of Unpaid Dividend as on 31.03.2013 (₹ in lacs)	% of Dividend Unpaid	Due date of transfer to IEPF
2005-06	29.84	0.34	1.12	06-11-2013
2011-12	21.75	0.02	0.01	01-11-2017

n. Reminder to investors

Reminder for unpaid dividend presented to shareholders as per records at appropriate intervals. The detailed list of shareholders is available on the website of the company.

o. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

The Company has not issued GDRs/ADRs/Warrants or any other instrument which is convertible into Equity Shares of the Company during 2012-13.

p. Address for Correspondence

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned below:

Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai-400078 Tel.: +91 22 2596 0320 Fax: +91 22 2596 0329 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in	For any further assistance, the shareholder's may Contact: Tel.033-32212690 Fax. 033- 2231 2510
Corporate Office: Company Secretary Flexituff International Limited C-41-50, SEZ, Sector -3, Pithampur- 454775, Dist. Dhar (M.P.) Tel. +91 7292 420200 Fax : 07292-401684 Email: investors@flexituff.com Website: www.flexituff.com	Registered Office: Flexituff International Limited 304, Diamond Prestige, 41-A, A.J.C. Bose Road Kolkata-700 017 (W.B.) Tel.: 033 -32212690 Fax : 033 - 22313510 Email:investors@flexituff.com Website: www.flexituff.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

In Compliance of Clause 47(f) of the listing Agreement, the Company has designated exclusive Email ID for redressal of Investor Grievances i.e. investors@flexituff.com.

FOR AND ON BEHALF OF THE BOARD

Place: Pithampur

Date: 2nd August, 2013

Whole Time Director

Whole Time Director

CEO certification on code of conduct

To,
The Members of
M/s. Flexituff International Limited

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Key Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen Corporate Governance practices in the Company.

All the members of the Board and Key Management Personnel of the Company have affirmed due observation of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2013.

Place: Pithampur
Date: 02.08.2013

Sd/-
Saurabh Kalani
Whole Time Director

Certification from CEO/CFO

We, Saurabh Kalani and Kaushal Kishore Vijayvergiya, Whole Time Directors, to the best of our knowledge and belief hereby certify to the Board of Directors of M/s. Flexituff International Limited that:

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2013 and that to the best of our knowledge and belief.
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the years that are fraudulent, illegal or violative of the Company's code of conduct.
- c. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiency in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. we have indicated to the auditors:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Pithampur
Date: 02.08.2013

For Flexituff International Limited

Sd/-
Saurabh Kalani
Whole Time Director

Sd/-
Kaushal Kishore Vijayvergiya
Whole Time Director

Certification from practising company secretary

To,
The Members of
M/s. Flexituff International Limited

We have examined the Compliance of conditions of Corporate Governance by Flexituff International Limited for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

Ritesh Gupta & Co.
Practicing Company Secretaries

Place: Indore
Date: 2nd August, 2013

Sd/-
Ritesh Gupta
Proprietor



FINANCIAL SECTION

Independent Auditors' Report

To

The Members of Flexituff International Ltd.

We have audited the accompanying financial statements of M/s Flexituff International Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principle Generally Accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Act;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For L.K.Maheshwari & Co.
Chartered Accountants
FRN No. 000780C

(Abhay Singi)

Partner

Place : Indore

Dated : 27th May 2013

Membership No 079873

Annexure to the Auditors report of even date to the Members of Flexituff International Ltd.

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) The fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion, there was no disposal of substantial part of fixed assets during the year, therefore, does not affect the going concern assumption.
- (ii) (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals during the year other than those kept with third parties.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The company has not taken Inter Corporate Deposit from companies covered in the register maintained under section 301 of the Act.
- (b) According to the information and explanation given to us, Company has, during the year, not granted any loans, security or unsecured, to companies, firm and other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to information and explanations given to us, the register is maintained the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, an exceeding the value of Rupees Five Lacs in respect of any one party during the year have been made at prices which are reasonable having regard to the prevailing market at relevant time.
- (vi) The Company has not accepted any deposits from public. Therefore, the provision of Clause of (vi) of paragraph 4 of the Order are not applicable to the company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, VAT, cess and other material statutory dues applicable to it.

(b) According to the records of the Company, the dues outstanding of taxes on account of any dispute are as follows:

Name of the statute	Nature of dues	Demand (₹ in Million)	Amount Paid (₹ in Million)	Period to which the Amount relates	Forum where dispute is pending
Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year.	7.00	3.00	A.Y. 2004-05	CIT (A)
Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year, SEZ Loss u/s 10A & 80HHC deduction.	10.13	3.90	A.Y. 2004-05	CIT (A)
Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year.	2.66	1.33	A.Y.2005-06	CIT (A)
Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year.	12.73	NIL	A.Y.2005-06	CIT (A)
Income Tax Act	Disallowances in respect of SEZ Loss u/s 10 A.	6.03	NIL	A.Y.2006-07	CIT (A)
Income Tax Act	Departmental Appeal against penalty order decided in Company's favor by ITAT	1.45	-NA-	A.Y.2003-04	M.P.HIGH COURT
Income Tax Act	Departmental Appeal against appeal allowed by ITAT in case of Investment made by certain companies in Equity Capital of Company and also against deduction allowed under Section 80 IB in Company's favor by ITAT	6.58	-NA-	A.Y.2003-04	M.P.HIGH COURT
Income Tax TDS	Non Deduction of TDS on payment of Lease Rent to MPAKVN and Interest thereon.	0.71	NIL	A.Y.2005-06 to A.Y. 2007-08	CIT(A)
M.P. Entry Tax Act, 1976	Entry Tax levied on Job Work for SEZ unit	1.68	1.61	F.Y. 2007-08	M.P.Commercial Tax Tribunal, Bhopal
M.P. Entry Tax Act, 1976	Entry Tax levied on Job Work for SEZ unit	2.89	0.88	F.Y. 2008-09	M.P.Commercial Tax Tribunal, Bhopal

Name of the statute	Nature of dues	Demand (₹ in Million)	Amount Paid (₹ in Million)	Period to which the Amount relates	Forum where dispute is pending
M.P.VAT Act, 2002	Assessing Officer has levied the tax on sale by SEZ unit in Domestic Area	1.96	1.96	F.Y. 2007-08	M.P.Commercial Tax Tribunal, Bhopal
M.P.VAT Act, 2002	Assessing Officer has levied the tax on sale by SEZ unit in Domestic Area	1.06	1.06	F.Y. 2008-09	M.P.Commercial Tax Tribunal, Bhopal
M.P.VAT Act, 2002	Tax Imposed on (a) sale by SEZ unit in Domestic Area ₹181.70 Lacs (b) Assessing Officer has not given the benefit of VAT output ₹15.82 Lacs (c) ITR Amt. Disallowed ₹0.75 Lacs (d) Tax Imposed on non receipts of form "H" ₹16.06 Lacs	4.30	0.43	F.Y. 2009-10	Additional Commissioner (Appeals) of Commercial Taxes, Zone Indore
M.P. Entry Tax Act, 1976	Entry tax levied on job work done for SEZ unit	3.51	0.37	F.Y. 2009-10	Additional Commissioner (Appeals) of Commercial Taxes, Zone Indore
M.P. Entry Tax Act, 1976	Entry tax levied on Job work done for SEZ unit	10.86	1.09	F.Y. 2006-07	Additional Commissioner (Appeals) of Commercial Taxes, Zone Indore
Uttarakhand VAT Act,2005	Demand u/s 10(A)/ 10(B)/10(D)/ & 24(3)	10.66	3.33	F.Y. 2009-10,2010-11& 2011-12	The Joint Commissioner Appeal -1 Uttarakhand

- (x) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has given corporate guarantee on behalf of Entertainment World Developers Limited, Mumbai for ₹4.55 million to State Bank of India, Commercial Branch, Indore., and on behalf of M/s Satguru Polyfab Private Limited, Gandhidham for ₹60.00 million to State Bank of Patiala, Indore, and on behalf of Nanofil Technologies Pvt.Ltd., Kashipur for ₹0.20 million to Governor of Uttarakhand, which are not prima facie prejudicial to the interest of the company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) On the examination of books of accounts and the information and explanations given to us, in our opinion the funds raised on short term basis have not been used for long term investment and vice versa;
- (xviii) During the year, the Company has not made any allotment of preferential shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any Debenture therefore the provision of clause 4(xix) of the companies (Auditor's Report) Order, 2003 are not applicable.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For L.K.Maheshwari & Co.
Chartered Accountants
FRN No. 000780C

(Abhay Singi)
Partner

Membership No 079873

Place : Indore
Dated : 27th May 2013

BALANCE SHEET AS AT 31st MARCH, 2013

(₹ in Million)

S N	Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
I.	EQUITY AND LIABILITIES					
	1) Shareholder's Fund					
	a) Share Capital	2	229.81		217.32	
	b) Reserve & Surplus	3	2,893.35	3,123.16	2,442.30	2,659.62
	2) Non Current Liabilities					
	a) Long Term Borrowings	4	1,274.49		1,086.50	
	b) Deferred Tax Liability (Net)		374.25		282.49	
	c) Other Long Term Liabilities	5	2.33		2.75	
	d) Long Term Provisions	6	20.29	1,671.36	15.16	1,386.90
	3) Current Liabilities					
	a) Short Term Borrowing	7	1,889.19		1,287.33	
	b) Trade Payable	8	1,312.12		864.48	
	c) Other Current Liabilities	9	993.03		710.90	
	d) Short Term Provisions	10	100.41	4,294.75	115.03	2,977.74
	Total			9,089.27		7,024.27
II	ASSETS					
	1) Non Current Assets					
	a) Fixed Assets	11				
	I) Tangible Assets			4,109.37		3,672.11
	II) Intangible Assets			0.65		0.61
	III) Capital Work in Progress			336.63		-
	b) Non Current Investments	12		104.72		104.72
	c) Long Term Loans and Advances	13		23.90		18.10
	2) Current Assets					
	a) Inventories	14	1,083.27		808.54	
	b) Trade Receivable	15	2,154.35		1,591.35	
	c) Cash & Cash Equivalents	16	238.30		182.36	
	d) Short Term Loans & Advances	17	1,038.08	4,513.99	646.48	3,228.72
	Total			9,089.27		7,024.27
	Significant Accounting Policies and Notes on Financial Statements	1 -26				

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
GM-Corporate Affairs & Company
Secretary

K. K . Vijayvergiya
Whole Time Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2013

(₹ in Million)

S N	Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I.	Revenue from Operation	18	8,633.53	6,210.44
II.	Other Income	19	34.80	17.39
III.	Total Revenue (I +II)		8,668.33	6,227.83
IV.	EXPENSES :			
	Cost of Material Consumed	20	3,667.84	3,318.23
	Purchases of Stock in Trade	21	2,048.05	215.01
	Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	-226.27	55.94
	Employee Benefit Expense	23	884.43	759.58
	Financial Costs	24	630.25	463.29
	Depreciation and Amortization Expenses	11	213.61	159.89
	Other Expenses	25	998.56	807.43
	Total		8,216.47	5,779.37
V.	Profit Before Tax (Prior to Foreign Exchange Fluctuation)		451.86	448.46
VI.	Tax Expenses			
	Current Tax		73.65	89.73
	Less : Mat Credit Entitlement		73.65	89.73
	Net Current Tax		-	-
	Deferred Tax		91.76	104.86
VII.	Profit After Tax (Prior to Foreign Exchange Fluctuation)		360.10	343.60
	Less :-			
	Provision for Foreign Exchange Fluctuation		83.75	-
VIII.	Net Profit for the year		276.36	343.60
	Earning per share			
	Basic		12.67	17.79
	Diluted		12.38	17.23
	Significant Accounting Policies and Notes on financial statements	1 - 26		

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
**GM-Corporate Affairs & Company
Secretary**

K. K . Vijayvergiya
Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2013

(₹ in Million)

S N	Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
A)	Cash Flow From Operating Activity			
	Net Profit before tax		451.86	448.46
	Adjustment for :			
	Depreciation & Amortisation		213.61	159.89
	Foreign Currency Exchange Fluctuation Reserve		-39.43	78.30
	Provision for Foreign Exchange Fluctuation		-83.75	0.00
	Loss on Assets Retirement		0.42	0.45
			542.72	687.11
	Interest & Financial Charges		630.25	463.29
	Operating Profit before Working Capital changes		1,172.97	1,150.39
	Adjustment for			
	Trade Receivable		-563.00	-396.57
	Inventories		-274.74	153.22
	Other Assets		-323.75	-267.50
	Current Liabilities		729.81	62.48
	Cash from Operating Activity		741.30	702.03
	Direct Taxes Paid (net)		-89.77	-14.10
	Net Cash from Operating Activity (A)		651.52	687.93
B)	Cash Flow from Investing Activity			
	Purchase of Fixed Assets / CWIP		-993.12	-606.39
	Sale Proceed from Assets Retirement		5.17	3.58
	Net Cash used in Investing Activity (B)		-987.95	-602.81
C)	Cash Flow from Financing Activity			
	Equity Share Issued/Share Warrants/Share Premium		253.34	625.23
	Net Proceeds/Payment from Long Term Borrowing		192.70	-401.98
	Net Proceeds from Short Term Borrowing		601.86	235.08
	Payment of Dividends		-25.28	-20.07
	Payment of Interest & Financial Charges		-630.25	-463.29
	Net Cash used in Financing Activity (C)		392.36	-25.03
	Net Increase in Cash & Cash Equivalents	(A+B+C)	55.93	60.09
	Opening Balance in Cash & Cash Equivalents		182.36	122.27
	Closing Balance in Cash & Cash Equivalents		238.30	182.36

Notes :

- The Cash Flow Statement has been prepared in indirect method with corresponding adjustment in Assets & Liabilities.
- Cash & Cash Equivalents represent Cash & Bank Balances which are short-term in nature.
- Previous year figures have been regrouped & reclassified where ever necessary in confirmation with current year figures.

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
GM-Corporate Affairs & Company
Secretary

K. K. Vijayvergiya
Whole Time Director

Notes Forming Part Of Accounts For The Year Ended On March 31st, 2013.

NOTE | 1 SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP"), comprising of the mandatory Accounting Standards, Guidance Notes etc. issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. REVENUE RECOGNITION

- a) Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer.
- b) Promotional Benefits, Export Incentives and Export Growth Incentives are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
- c) Claims and refunds due from Government authorities and parties, through receivable / refundable are not recognized in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favor of the Company.
- d) Claims lodged with insurance companies are recognized as income on acceptance by the Insurance Company.

3. FIXED ASSETS

- a) Cost of Fixed Assets comprises of its purchase price including import duties and other non-refundable taxes or levies, expenditure incurred in the course of construction or acquisition, Start-up, Reconditioning, Commissioning, test runs & experimental production and other attributable costs of bringing the assets to its working conditions for the purpose of use for the business.
- b) Borrowing cost directly attributable and / or funds borrowed generally and used for the purpose of acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized, at its capitalization rate to expenditure on that assets, for the period as per provisions of AS 16, until all activities necessary to prepare qualifying assets for its intended use are complete.

4. DEPRECIATION / AMORTIZATION

- Depreciation is provided under the straight line method at the rates provided by Schedule XIV to the Companies Act, 1956 on pro-rata basis, On the basis of technical evaluation by Chartered Engineer, the plant and machineries of all the three divisions are categorized as continuous process plant and therefore the depreciation rate applied are for the continuous process.
- Leased assets are amortized over the operating period of 99 years.

5. EMPLOYEE BENEFITS

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) The eligible employees of the company are entitled to receive benefits under the provident fund a defined contribution plan in which both the employees and the Company make monthly contribution at a specified percentage of the covered employees salary (currently 12% of the employee's basic salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner. The Company recognizes such contribution as expense of the year in which the liability is incurred.
- c) The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to gratuity fund and the Company recognizes the liability for gratuity benefits payable in future based on an independent actuarial valuation.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**6. INVESTMENT**

Non Current Investment are stated at cost. In case of diminution in value other than temporary, the carrying amount is reduced to recognize the decline.

7. VALUATION OF INVENTORY

a) Inventories are valued at historical cost and net realisable value whichever is lower.

Historical cost is determined on FIFO/Weighted average basis on relevant categories of inventories and net realizable value, after providing for obsolete, slow moving and defective Inventories, wherever necessary on a consistent basis.

b) Cost of raw materials includes duties net of Cenvat Credit available. Finished goods exclude "excise duty" thereon.

8. RETIREMENT BENEFIT

a) Contribution to Provident Fund is recognized in the accounts on actual liabilities basis.

b) Provision / contribution to Gratuity Funds are made on the basis of actuarial valuation certificate from a registered actuary.

9. FOREIGN CURRENCY TRANSACTIONS

a) All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions.

b) Monetary assets & liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain/loss is recognized in the financial statements.

c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

d) The company uses foreign currency forward contracts/options to hedge its actual underlying exposure and not for trading or speculation purpose to movement in foreign currency rates. The use of these forward contracts/options reduces the risk and/or cost to the company. Exchange difference on such contracts is recognized in the reporting period in which exchange rates change.

10. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. For this purpose, deferred tax liabilities and assets are reckoned on net basis, after inter-se set-off, for each component for the timing differences.

The Deferred Tax Liability comprise of the following:

	(₹ in Million)	
	As at 31 st March'2013	As at 31 st March'2012
(A) Deferred Tax Liability		
Net Block as per books	3,927.08	3,489.93
Net Block as per Income Tax	2,513.63	2,339.76
Less : Differences reversing during tax holiday period	56.27	58.25
Timing Difference	1,357.18	1,091.92
Deferred tax liabilities @ 32.445% on the timing difference	440.34	354.27
Opening Balance	354.27	243.96
Deferred Tax Liability Created	86.06	110.32
Closing Balance (A)	440.34	354.27

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

	(₹ in Million)	
	As at 31 st March'2013	As at 31 st March'2012
(B) Deferred Tax Assets		
Opening Balance	71.78	66.33
Deferred Tax Assets created	(5.70)	5.46
Cumulative Deferred Tax Assets (B)	66.08	71.78
Net Deferred Tax Liability (A-B)	374.25	282.49

11. IMPAIRMENT OF FIXED ASSETS

Factors giving rise to any indication of Impairment of the carrying amounts of the Company's Assets are appraised at each Balance Sheet date by the Management to determine and provide / reverse an impairment loss following Accounting Standard (AS) 28 "Impairment of Assets"

12. REPLENISHMENT

Indigenous raw materials had to be used on occasions, for exports, to be subsequently replenished under Duty Free Entitlement Schemes of the Government of India. Therefore, the cost of such indigenous raw materials has been accounted for at its equivalent imported / duty free prices by adjusting the value of such entitlements granted for neutralization of the import duties and levies.

13. OTHERS

Besides debit / credit in previous year adjustment account, amounts related to previous years, arisen / settled during the year have been debited / credited to respective heads of accounts.

	(₹ in Million)	
Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 2 SHARE CAPITAL		
AUTHORISED:		
30000000 Equity Shares of ₹10/- each	300.00	250.00
(P.Y. 25000000 Equity Shares of ₹10/- each)		
Total	300.00	250.00
ISSUED, SUBSCRIBED, CALLED & PAID UP :		
22980633 Equity Shares of ₹10/-each fully paid up	229.81	217.32
(Out of above during the year 1227273 share of ₹10 each at a premium of ₹210 each is issued through Private placement to TPG Growth II SF Pte. Ltd. & 21550 Equity Shares of ₹10 each at a premium of ₹85/- under ESOP Scheme.)		
(Previous year 21731810 Equity Shares of ₹10/-each fully paid up)		
Total	229.81	217.32

(₹ in Million)

Particulars	As at 31.03.2013		As at 31.03.2012	
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NOTE 2 SHARE CAPITAL (Contd.)

	No. of Shares	% Held	No. of Shares	% Held
2.1 Details of Shareholders holding more than 5% shares :				
Name of the Shareholder				
A. Kalani Industries Pvt. Ltd.	3,621,730	15.76	3,483,600	16.03
B. Clearwater Capital Partners(Cyprus)Ltd.	2,236,592	9.73	2,236,592	10.29
C. Saurabh Properties Pvt. Ltd.	1,637,730	7.13	1,270,530	5.85
D. Miscellani Global Pvt. Ltd.	1,359,163	5.91	1,217,520	5.60
E. TPG Growth II SF Pte. Ltd.	1,227,273	5.34	-	0.00
2.2 The reconciliation of the number of shares outstanding is set out below :-				
Equity Shares at the beginning of the year	21,731,810		17,212,110	
Add : Shares issued in Initial Public Offer	-		4,500,000	
Add : Conversion of Fully Convertible Debenture	-		-	
Add : Conversion of Warrants into Equity Shares	-		-	
Add : Allotment on Private placement basis	1,227,273		-	
Add : Shares issued on exercise of Employee Stock Options	21,550		19,700	
Equity Shares at the end of the year	22,980,633		21,731,810	

2.3 The Company has reserved issuance of 1075000 (Previous year 1075000) Options under Employees Stock Option Scheme (ESOP) 2011 @ ₹95/- per share for offering to eligible employees of the Company. During the year 2012-13, 21550 options are exercised by the option holders (Previous year 19700).

NOTE 3 RESERVE & SURPLUS

i) Capital Reserve :-				
a. SEZ Re-Investment Allowance Reserve	145.52		113.34	
Add :- Addition during the year	79.35		136.37	
	224.87		249.71	
Less :- Utilized during the year	61.96	162.91	104.19	145.52
ii) Securities Premium Account :-				
Opening Balance	1,413.63		833.60	
Addition during the year	259.56		654.17	
Less : Utilization during the year against Private Placement / IPO exp.	18.71		74.14	
Closing Balance		1,654.49		1,413.63
iii) Other Reserves :-				
a. General Reserve Account		140.50		140.50
b. Foreign Currency Exchange Fluctuation Reserve		42.00		81.43
iv) Profit & Loss Account :-				
Opening Balance	661.22		375.05	
Addition during the year	276.36		343.60	
Add : SEZ Re-Investment Allowance Reserve Utilization A/c	61.96		104.19	
Less : Utilization during the year :-				
a. Proposed Dividend	22.98		21.73	
b. Dividend for Earlier years	0.02		-	
c. Dividend Distribution Tax	3.73		3.53	
d. Transfer to General Reserve Account	-		-	
e. Transfer to SEZ Re-Investment Allowance Reserve	79.35		136.37	
Closing Balance		893.45		661.22
		2,893.35		2,442.30

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 4 LONG TERM BORROWINGS		
SECURED TERM LOANS :		
A FROM BANKS:		
a) - UCO Bank, Indore*** (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement i.e. 27.10.2007, present rate of Interest -14.50 % P.A.)	34.25	68.58
b) - ING Vysya Bank Ltd, Indore (Payable in 16 quarterly Instalments of ₹84.35 lacs & 8 quarterly instalments of ₹18.80 lac, date of disbursement 13.08.2012, present rate of interest -14.20% P.A.)	133.13	-
c) - Axis Bank Ltd., Indore (Payable in 12 quarterly Instalments after 9 months from the date of disbursement i.e. 03.08.2010, present rate of interest - 14 .50% P.A.)	116.68	174.84
d) - UCO Bank, Indore 3923*** (Payable in 17 unequal quarterly Instalments after 11 month from the date of disbursement w.e.f. 26.03.2009, present rate of interest - 15 % P.A.)	89.58	121.52
e) - UCO Bank, Indore * (Payable in 24 quarterly Instalments after 6 months from the date of disbursement i.e. 20.05.2010, present rate of interest -14.50 % P.A.)	236.76	298.62
f) - State Bank of India, Indore (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement w.e.f. 29.08.2008, present rate of interest -14.50 % P.A.)	87.79	111.34
g) - Central Bank of India, Indore (Payable in 24 quarterly Instalments, w.e.f. 30.08.2008, present rate of interest -14.00 % P.A.)	50.67	69.87
h) - Punjab National Bank, Indore ** (Payable in 24 quarterly Instalments after 1 year from the date of disbursement w.e.f. 03.09.2008, present rate of interest - 14.50 % P.A.)	124.92	153.16
i) - UCO Bank, Indore * (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement w.e.f. 18.12.2009, present rate of interest -14.50 % P.A.)	163.14	202.50
j) - State Bank of India, Indore (Payable in 7 years (24 quarterly Instalments) after 1.25 year from the date of disbursement w.e.f. 31.12.2009, present rate of interest 14.50 % P.A.)	69.90	89.90
k) - State Bank of Patiala, Indore (Payable in 4 quarterly Instalments of ₹1.31 mln and 20 instalments of ₹5.238 mln after 1 year from the date of disbursement w.e.f. 26.03.2010, present rate of interest - 14.00 % P.A.)	83.74	99.45

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 4 LONG TERM BORROWINGS (Contd.)		
l) - Punjab National Bank, Indore (Payable in 23 quarterly Instalments after 1.5 year from the date of disbursement w.e.f. 20.05.2010, present rate of interest -14.50 % P.A.)	79.01	94.41
m) - Central Bank of India, Indore (Payable in 24 quarterly Instalments, w.e.f. 31.12.12, present rate of interest - 14.00 % P.A.)	91.37	-
Out of the above Secured Term Loans, the following amount have been converted into Foreign Currency Term Loans for a period of six months :-		
*UCO Bank ₹335,299,971/- on 28.03.2013		
**PNB ₹117,037,189/- on 31.10.2012		
***UCO Bank ₹188,078,000/- on 28.03.2013		
Sub Total	1,360.92	1,484.19
B FROM FINANCIAL INSTITUTIONS:		
i. G E Capital Services India (36 months from the date of first Drawdown dtd. 27.09.2012, present rate of interest @ 13.75 % P.A.)	191.36	-
ii. MPFC Capital Market	-	4.61
UNSECURED LOANS :		
i. Religare Finvest Limited (7 Semi –annual installments, respectively with the first installment to be paid upon the expiry of six months from the drawdown date i.e 31.12.2012, rate of Interest @18% P.A.)	400.00	-
Sub Total	1,952.29	1,488.80
Less : Current maturities of long term debt	677.80	402.30
	1,274.49	1,086.50

Nature of security on secured loans :

- Term Loans are secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets & a second charge on all current assets of the company.
- All term loans facilities are further secured by Personal Guarantee of Mr. Manish Kalani, Mr. Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- In case of G E Capital Services India - (i). First and exclusive charge over Equipment financed through the Facility in accordance with the Deed of Hypothecation. (ii).Personal Guarantee of Mr. Manish Kalani. (iii). Corporate Guarantee of M/s Kalani Industries Pvt Ltd.
- Loan from Religare Finvest limited - Personal guarantee of Mr Manish Kalani & Mr Saurabh Kalani.

(₹ in Million)

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE 5 OTHER LONG TERM LIABILITY				
Vehicle Loans		3.93		3.62
(Vehicle Loan are secured by Hypothecation of the respective Vehicles of the Company)				
less : Current maturities of other long term debt		1.60		0.86
		2.33		2.75
NOTE 6 LONG TERM PROVISION				
Outstanding Group Gratuity Contribution		20.29		15.16
NOTE 7 SHORT TERM BORROWING				
(A) SECURED WORKING CAPITAL LOANS				
i) UCO Bank, Indore				
Cash Credit Loan	278.77		277.15	
Export Packing Credit	166.23		6.51	
(New Gold Card)	44.19	489.19	46.40	330.06
ii) Punjab National Bank, Indore				
Cash Credit Loan	150.61		146.91	
Export Packing Credit	203.61	354.22	269.85	416.76
iii) Central Bank of India, Indore				
Cash Credit Loan	191.69		186.18	
Export Packing Credit	115.08	306.77	140.92	327.10
iv) State Bank of India, Indore				
Cash Credit Loan	65.26		4.70	
Export Packing Credit	-	65.26	17.08	21.78
v) State Bank of India, Pithampur				
Cash Credit Loan		5.28		5.99
vi) State Bank of Patiala, Indore				
Cash Credit Loan	68.79		20.58	
Export Packing Credit	58.33	127.12	0.00	20.58
vii) Axis Bank Ltd., Indore				
Cash Credit Loan	55.51		65.19	
Export Packing Credit	21.33	76.85	79.82	145.01
viii) ICICI Bank Ltd., Indore				
Cash Credit Loan	81.09		-	
EPC & PCFC	2.74	83.82	-	-
ix) ING Vysya Bank Ltd , Indore				
Cash Credit Loan	74.42		-	
EPC & PCFC	20.94		-	
WCDL	72.50	167.86	-	-
x) Chinatrust Commercial Bank, New Delhi				
WCDL	-0.11		-	
Export Packing Credit	198.45	198.33	-	-
TOTAL (A)		1,874.69		1,267.28
(B) UNSECURED LOANS FROM OTHERS				
		14.50		20.05
TOTAL (A + B)		1,889.19		1,287.33

1. The Working capital facilities are secured by First charge on all current assets viz .Raw Material Stores & Spares, Work-in-Progress, Finished Goods and Book Debts & Second charge on all fixed assets of the Company.

2. All working capital facilities are further secured by Personal Guarantee of Mr. Manish Kalani, Mr. Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 8 TRADE PAYABLES		
Trade Creditors	1,312.12	864.48

NOTE 9 OTHER CURRENT LIABILITIES		
i) Creditors for Capital Goods	58.37	116.59
ii) Sundry Liabilities	203.47	174.55
iii) Tax Payable	15.16	5.87
iv) Unpaid Dividend	0.04	0.03
v) Current maturities of long term debt	677.80	402.30
vi) Current maturities of other long term debt	1.60	0.86
vii) Current maturities of long term debt related to forex fluctuation (FCTL)	27.03	0.00
viii) Accrued Interest on TL	9.57	10.70
	993.03	710.90

NOTE 10 OTHER CURRENT LIABILITIES		
i) For Income Tax	73.65	89.73
ii) For Wealth Tax	0.05	0.04
iii) For Proposed Dividend	22.98	21.73
iv) For Dividend Tax	3.73	3.53
	100.41	115.03

NOTE 11 FIXED ASSETS

(₹ in Million)

Name of the Assets	Gross block			Depreciation			Net block			
	As on 01.04.2012	Addition	Deduction	As on 31.03.2013	As on 01.04.2012	Written Back	Amortisation	For the Period	As on 31.03.2013	As on 31.03.2012
A. Tangible Assets										
1) Land (Lease Hold)	24.75	-	-	24.75	2.23	-	0.02	-	2.25	22.50
2) Land (Free Hold)	160.28	0.16	-	160.44	0.00	-	-	-	0.00	160.44
3) Factory Building	793.85	54.22	-	848.07	82.98	-	-	25.90	108.88	739.20
4) Plant & Machinery	2,920.10	574.29	6.10	3,488.30	404.53	0.64	-	167.80	571.68	2,916.62
5) Electric Installation	187.44	12.93	-	200.37	23.53	-	-	10.12	33.65	166.72
6) Furniture & Fixtures	35.21	1.59	-	36.80	8.05	-	-	2.31	10.36	26.44
7) Office Equipments	60.72	7.53	-	68.25	6.72	-	-	3.04	9.76	58.49
8) Vehicles - Cars	14.33	3.46	0.44	17.35	4.68	0.30	-	1.51	5.88	11.47
9) Vehicles - Others	0.23	0.05	-	0.28	0.18	-	-	0.01	0.19	0.09
10) Computer	16.18	2.12	-	18.30	8.09	-	-	2.82	10.90	7.40
Sub Total	4,213.09	656.36	6.54	4,862.91	540.97	0.95	0.02	213.49	753.54	4,109.37
B Intangible Assets										
1) Patent	0.84	0.13	-	0.97	0.23	-	-	0.09	0.32	0.65
Sub Total	0.84	0.13	-	0.97	0.23	-	-	0.09	0.32	0.65
Total	4,213.93	656.49	6.54	4,863.88	541.21	0.95	0.02	213.58	753.87	4,110.02
Previous year	2,902.88	1,335.70	24.65	4,213.93	386.88	5.57	0.26	159.63	541.21	3,672.73
										2,516.00

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
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NOTE 12 INVESTMENTS

In Subsidiary : unquoted (at Cost)		
i) Flexiglobal Holding Ltd.,Cyprus (Wholly Owned Subsidiary of the company)	12.52	12.52
ii) Nanofil Technologies Private Limited, Kashipur (Wholly Owned Subsidiary of the company)	0.10	0.10
iii) Satguru Polyfab Pvt.Ltd., Gandhidham (Subsidiary of the company)	92.10	92.10
	104.72	104.72

NOTE 13 LONG TERM LOANS AND ADVANCES

Sundry Deposits	23.90	18.10
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NOTE 14 INVENTORIES

i) Raw Materials		148.89	131.68
ii) a) Finished Goods	290.93		161.47
b) Semi-Finished Goods	368.31		407.80
c) Waste / Scrap	7.71		9.68
d) Moulded Articles	-		0.03
e) Stock at Depot.	147.25	814.19	8.94
iii) Store & Spares parts & Stationary/Transit		118.66	87.40
iv) Loose Tools / Paintings		1.53	1.53
		1,083.27	808.54

NOTE 15 TRADE RECEIVABLES

(Unsecured, Considered Good)		
i) Exceeding six months from the date they are due for payment	411.08	109.21
ii) Others	1,743.26	1,482.13
	2,154.35	1,591.35

NOTE 16 CASH & CASH EQUIVALENTS

i) Cash in Hand		3.88	4.13
ii) Balance with Scheduled Banks :			
a. In Current Accounts	29.23		24.17
b. In Margin Money Deposit Accounts	205.19		145.56
c. Other FDRs	-	234.42	8.50
		238.30	182.36

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 17 SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
I) Loans and advances to related parties :-		
a) Flexiglobal Holding Ltd., Cyprus (Wholly Owned Subsidiary of the company)	11.54	0.45
b) Satguru Polyfab Pvt. Ltd. (Subsidiary of the company)	27.82	65.48
II) Others :-		
a) Advance against Supplies & Expenses	353.99	272.53
b) Advance to Staff & Workers	17.25	36.05
c) Advance recoverable in cash or in kind or value to be received	24.35	24.77
d) Sundry Deposits	5.75	7.95
e) Sundry Recoverables	557.01	213.92
f) Tax Deducted at Source	7.70	2.50
g) Balance With Excise Authorities	32.66	22.83
	1,038.08	646.48

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE 18 REVENUE FROM OPERATIONS		
SALE OF PRODUCTS :-		
i) Export Sales	4,802.75	4,491.48
ii) Domestic Sales & Receipts	3,903.01	1,772.33
Less : Excise Duty	72.22	53.37
	8,633.53	6,210.44

NOTE 19 OTHER INCOME		
i) Interest Income	21.01	12.47
ii) Other Non Operating Income :-		
a) Profit on sale of Scrip / Agglo/ Scrap/Granuals	6.86	1.65
b) Other Receipts	6.94	3.26
	34.80	17.39

NOTE 20 COST OF MATERIAL CONSUMED		
Raw Material Consumed :-		
i) Granuels, Master Batch etc.	3,006.84	2,947.22
ii) Other Raw Materials	661.00	371.01
	3,667.84	3,318.23

(₹ in Million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
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NOTE 21 PURCHASES OF STOCK IN TRADE

i) Purchase of Bag,FIBC/Moulding Articles & sheet	1,978.63	172.78
ii) Purchase of Liner, Rope, Belt,Waste etc.	3.22	0.56
iii) Purchase of Fabric / Yarn	7.75	14.75
iv) Purchase for Woven Sacks	58.45	26.92
	2,048.05	215.01

NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE

i) Closing Stock				
a) Finished	290.93		161.47	
b) Semi Finished	368.31		407.80	
c) Waste/Scrap	7.71		9.68	
d) Moulding Articles	-		0.03	
e) Stock at Depot / Transit	147.25	814.19	8.94	587.92
ii) Less : Opening Stock				
a) Finished	161.47		244.58	
b) Semi Finished	407.80		385.49	
c) Waste/Scrap	9.68		13.26	
d) Moulding Articles	0.03		0.06	
e) Stock at Depot / Transit	8.94	587.92	0.46	643.86
		226.27		-55.94

NOTE 23 EMPLOYEE BENEFIT EXPENSES

i) Labour charges	111.37	90.97
ii) Factory Salary & Wages & Bonus	583.92	504.42
iii) Provident Fund & ESI Contribution	43.52	40.82
iv) Administrative Salaries & Allowances	117.11	96.65
v) Staff & Workmen Welfare Expenses	28.51	26.73
	884.43	759.58

NOTE 24 FINANCE COST

A Interest Expenses :-		
i) Interest on Term Loan	137.70	202.73
ii) Interest on Working Capital	209.16	137.18
iii) Interest to Others	7.20	9.89
iv) Interest on Income Tax	10.84	1.58
B Other Borrowing Cost :-		
i) Bills Discounting Charges	173.19	56.54
ii) Misc Bank Charges	92.65	55.95
C Foreign Exchange Fluctuation	-0.50	-0.58
	630.25	463.29

(₹ in Million)

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
NOTE 25 OTHER EXPENCES				
(A) MANUFACTURING EXPENSES				
i) Power & Fuel		251.01		218.05
ii) Rent, Rates and Taxes		9.19		8.45
iii) Jobwork expenses		78.29		58.71
iv) Consumption of Stores & Spare parts		66.91		59.55
v) Repairs & Maintenance		7.63		6.13
vi) Freight Inward		35.11		15.80
vii) Entry Tax		11.84		8.29
viii) Laboratory and R & D Expenses		0.62		1.20
ix) Factory Expenses		1.53		1.55
		462.13		377.72
(B) ADMINISTRATIVE EXPENSES				
i) Courier & Telephone Expenses		14.31		12.82
ii) Vehicle Running Expenses		6.46		5.02
iii) Insurance Charges		8.66		5.77
iv) Rent for Office / Guest House		2.67		1.29
v) Legal and Professional Charges		86.18		65.89
vi) Miscellaneous Expenses		49.64		23.96
vii) Provision for Wealth tax		0.05		0.04
		167.97		114.79
(C) SELLING EXPENSES				
i) Freight & Carriage Outward		278.11		224.84
ii) Travelling Expenses:				
a) Directors	4.49		-	
b) Staff	15.93	20.43	25.88	25.88
iii) Advt.,Newspaper & Periodicals		0.41		0.21
iv) Inspection Charges		3.30		2.53
v) ECGC Premium		5.95		5.83
vi) Tender Fees & Form Expenses		0.10		-
vii) Rebate & Discount on Sale:				
a) Domestic Sale	3.64		4.07	
b) Export sale	0.09	3.74	0.08	4.15
viii) Business Promotion Expenses		8.90		6.32
ix) Commission on Sales:				
a) Domestic Sale	1.70		0.54	
b) Export sale	1.28	2.97	4.50	5.05
x) Value Added Tax/Commercial Tax/CST		44.56		40.12
		368.46		314.92
Total of Other Expenses		998.56		807.43

A. CONTINGENT LIABILITIES AND COMMITMENTS :-

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹318.02 million (Previous Year ₹57.43 million).
- ii. Guarantee given by Banks on behalf of the Company for ₹79.78 million (Previous year ₹73.10 million).
- iii. On account of Letter of Credit for ₹139.98 million (Previous year ₹176.37 million).
- iv. Foreign Bills Discounted with Bank ₹ 354.97 million (Previous year ₹329.51 million).
- v. Claims against the Company /disputed liabilities not acknowledged as debts amounting to ₹21.76 million (Previous year ₹30.70 million).
- vi. Corporate Guarantee given by the Company is as under :

Sr.	GIVEN IN FAVOUR OF	GIVEN ON BEHALF OF	AMOUNT
1	Customs & Excise Department	Entertainment World Developers Limited, Mumbai	₹4.55 million (Previous Year ₹4.55 million)
2	State Bank of Patiala	Satguru Polyfab Pvt. Ltd., Gandhidham	₹60.00 million (Previous Year ₹60.00 million)
3	Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd., Kashipur	₹0.20 million (Previous Year ₹0.20 million)

- vii. Outstanding of Taxes on account of disputes are as follows-
 - (a) The company filed appeal before CIT(A) / ITAT and contested Income Tax demand for the A.Y. 2004-05, 2005-06 and 2006-07 for ₹17.14 million, ₹15.39 million & ₹6.03 million respectively and also contested TDS demand for the A.Y.2005-06 to 2007-08 ₹0.71 million.
 - (b) The Income Tax department has filed an appeal before the M.P.High Court, challenging the order of ITAT passed in favor of Company for the A.Y.2003-04. The amount of tax and penalty is ₹6.58 million and 1.45 million respectively.
 - (c) The company has contested M.P.VAT. demand for F.Y. 2007-08 , 2008-09 & 2009-10 for ₹1.96 million, ₹1.06 million & ₹4.30 million respectively and Entry Tax demand for F.Y. 2006-07 , 2007-08, 2008-09 and 2009-10 for ₹10.86 million, ₹1.68 million, ₹2.90 million & ₹3.51 million respectively as per legal opinion obtained.
 - (d) The company has contested VAT Demand for FY 2009-10, 2010-11& 2011-12 for ₹0.10 million, ₹2.75 million and ₹7.82 million respectively at Kashipur unit.

B. In the opinion of the Board of Directors the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

C. Earning per share (AS-20)

(a) Net Profit after Tax (As per Profit / Loss Account) Number of fully paid up equity share of ₹10/- each	₹276.36 million (Previous year ₹343.60 million) 22980633 Equity Share (Previous year 21731810 Equity Shares)
(b) Weighted average number of equity Shares outstanding during the year	21803469 Equity Shares (Previous year 19317368 Equity shares)
c) Effects of potential dilutive equity share	523179 Equity Shares (Previous year 623292 Equity Shares)
(d) Weighted average number of equity in computing diluted earning per share	22326648 Equity Shares (Previous year 19940660 Equity Shares)

(e) Earning per share:	
- Basic [(a)/(b)]	₹12.67 (Previous year ₹17.79)
-Diluted [(a)/(d)]	₹12.38 (Previous year ₹17.23)

- D. During the year the Company has booked the amount of interest subsidy of ₹20.65 million (Previous year 23.08 million) and the same has been credited in interest paid on term loan account.
- E. During the year the Company has preferentially allotted 1227273 Equity share of ₹10/- each at a premium of ₹210/- each through private placement to TPG Growth II SF Pte. Ltd.
- F. Insurance Claim pertaining to damage on 01.10.2012, to the factory premises at Kashipur including stock, building, plant & machinery etc ₹13.96 million is provided. Claim from Insurer is yet to be settled, against which sufficient insurance coverage is available.
- G. Segment Information (AS-17)
As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

- H. Related Party Disclosure (AS-18) Transactions with related parties are shown in below:

₹ in Million

	Subsidiaries	Associates	Key Management Personnel and their Relatives	Total
Sale of Goods	560.77	0.34	-	561.11
Purchases of Goods/Expenses	651.82			651.82
Rendering of services	1.80	-	-	1.80
Receiving of services	5.65	0.87	4.14	10.66

Names of related parties and description of relationship:

- Subsidiaries
 - Satguru Polyfab Pvt. Ltd., Gandhidham- Subsidiary
 - Flexiglobal Holdings Ltd., Cyprus- Wholly Owned Subsidiary
 - Nanofil Technologies Pvt. Ltd.- Wholly Owned Subsidiary
- Associates
 - Kalani Industries Pvt. Ltd.
 - Entertainment World Developers Limited,
- Key Management Personnel : Mr. Saurabh Kalani
- Relatives of Key Management Personnel : Mrs. Padma Kalani, Mr. Manish Kalani & Mr. Kartikeya Kalani

- I. Previous year figures are re-grouped or re-arranged to confirm to current year figures.

- J. Quantitative & Other informations :

	Quantity		₹ in Million	
(I) Turnover				
Bags	97,776,190	Nos	5,879.14	*
	(86,711,728)	Nos	(5,618.92)	*
Fabrics	11,714,466	Kgs		
	(3,477,691)	Kgs		
P.P.Compound/Thermoforming Product/Other	2,289,575	Kgs		
	(962,117)	Kgs	2,754.28	*
Liner, Thread & Belts etc.	211,354	Kgs	(591.14)	*
	(1,434,285)	Kgs		
Waste & Reprocessed Granual	3,045,515	Kgs		
	(1,161,944)	Kgs		
Job Work Receipts			0.11	
			(0.37)	

* Amount Net of Excise Duty and Inclusive of Export Incentive overall effect of ₹12.52 million (₹56.05 million)

				₹ in Million	
(ii)	Raw Material Consumed				
	Granuels, Master Batch & Fabric			3,006.84	
				(2,947.22)	
	Others Raw Material & Purchases			2,709.05	
				(586.02)	
(iii)	Op. & Cl. Stock of Finished Goods				
	a. Opening Stock				
	- Bags			150.47	
				(224.11)	
	- P.P.Compound/Thermoforming Product/Other			11.00	
				(20.47)	
	b. Closing Stock				
	- Bags			284.13	
				(150.47)	
	- P.P.Compound/Thermoforming Product/Other			6.80	
				(11.00)	
(iv)	Value of Material Imported (CIF)			416.94	
				(271.55)	
(v)	Expenditure in Foreign Currency				
	i) for Travelling			5.72	
				(14.33)	
	ii) for Machinery & Spares			356.88	
				(40.23)	
		₹ in Million	Imported (%)	₹ in Million	Indigenous (%)
(vi)	Value of imported and indigenous material consumed and percentage of total consumption				
a)	Raw Material	192.36	6.40%	2,814.48	93.60%
		(274.21)	(09.30%)	(2,673.01)	(90.70%)
b)	Stores & other Purchases	203.33	7.51%	2,505.72	92.49%
		(51.36)	(08.76%)	(534.66)	(91.24%)
(vii)	Earning in Foreign Exchange				
	Export Sales (F.O.B)	4,387.52		(4,168.09)	
(viii)	Payment to Auditors				
	i) - Audit Fees	0.43		(0.43)	
	ii) Tax Audit Fees	0.15		(0.03)	
	iii) For Other Work	0.42		(0.16)	
		0.99		(0.61)	
(ix)	Meeting Fees Paid to Directors	0.02		(0.03)	

Figures given in brackets are pertaining to previous year.

As per our report of even date attached

for L.K.Maheshwari & Co.,

Chartered Accountants

FRN No. 000780C

(Abhay Singi)

Partner

Membership No. 079873

Place : Indore

Date : 27th May 2013

Ajay Mundra

Chief Financial Officer

Dinesh Kumar Sharma

GM-Corporate Affairs & Company

Secretary

For and on behalf of Board

Saurabh Kalani

Whole Time Director

K. K. Vijayvergiya

Whole Time Director

Statement pursuant to section 212 of the companies act 1956, relating to the interest in the subsidiary companies

1. Name of the subsidiary company	Satguru Polyfab Pvt. Ltd.
2. The financial year of the subsidiary company ended on	31st March, 2013
3. Date from which it became subsidiary	24th October. 2008
4. (a) No. of share held by Flexituff International Ltd. (Holding Company) in subsidiary company	9000000 Equity Shares of ₹10/-each fully paid up
(b) Extent of interest of Holding Company at the end of the financial year of the subsidiary company	78.60%
5. Net aggregate amount, so far as it concerns the member of Flexituff International Ltd. and is not dealt with in the Company account, of the Subsidiary's profit after deducting its losses or vice versa ;	
(a) Profit/(loss) for the Subsidiary' financial year	₹(15.30) million
(b) Profit/(loss) for the previous financial year of subsidiary Since it became the Subsidiary of Flexituff International Ltd.	₹(24.38) million
6. Net aggregate amount of the Profit of the subsidiary company dealt with in the Flexituff International Ltd. account after deducting its losses or vice versa:	
(a) For the financial year or years of Subsidiary aforesaid	Nil
(b) For the previous financial years since it became the subsidiary of Flexituff International Ltd.	Nil

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
GM-Corporate Affairs & Company Secretary

K. K . Vijayvergiya
Whole Time Director

Statement pursuant to section 212 of the companies act 1956, relating to the interest in the subsidiary companies

1. Name of the subsidiary company	Nanofil Technologies Pvt. Ltd.
2. The financial year of the subsidiary company ended on	31st March, 2013
3. Date from which it became subsidiary	15th December, 2009
4. (a) No. of share held by Flexituff International Ltd. (Holding Company) in subsidiary company	10000 Equity Shares of Rupee 10/-each fully paid
(b) Extent of interest of Holding Company at the end of the financial year of the subsidiary company	100%
5. Net aggregate amount, so far as it concerns the member of Flexituff International Ltd. and is not dealt with in the Company account, of the Subsidiary's profit after deducting its losses or vice versa ;	
(a) Profit/(loss) for the Subsidiary' financial year	₹2.00 million
(b) Profit/(loss) for the previous financial year of subsidiary Since it became the Subsidiary of Flexituff International Ltd.	₹2.51 million
6. Net aggregate amount of the Profit of the subsidiary company dealt with in the Flexituff International Ltd. account after deducting its losses or vice versa:	
(a) For the financial year or years of Subsidiary aforesaid	Nil
(b) For the previous financial years since it became the subsidiary of Flexituff International Ltd.	Nil

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
**GM-Corporate Affairs & Company
Secretary**

K. K . Vijayvergiya
Whole Time Director

Statement pursuant to section 212 of the companies act 1956, relating to the interest in the subsidiary companies

1. Name of the subsidiary company	Flexiglobal Holdings Ltd.
2. The financial year of the subsidiary company ended on	31st March, 2013
3. Date from which it became subsidiary	22nd September, 2008
4. (a) No. of share held by Flexituff International Ltd. (Holding Company) in subsidiary company	200000 Equity Shares of Euro 1/-each partly paid
(b) Extent of interest of Holding Company at the end of the financial year of the subsidiary company	100%
5. Net aggregate amount, so far as it concerns the member of Flexituff International Ltd. and is not dealt with in the Company account, of the Subsidiary's profit after deducting its losses or vice versa ;	
(a) Profit/(loss) for the Subsidiary' financial year	₹(3.54) million
(b) Profit/(loss) for the previous financial year of subsidiary	₹52.09 million
Since it became the Subsidiary of Flexituff International Ltd.	
6. Net aggregate amount of the Profit of the subsidiary company dealt with in the Flexituff International Ltd. account after deducting its losses or vice versa:	
(a) For the financial year or years of Subsidiary aforesaid	Nil
(b) For the previous financial years since it became the subsidiary of Flexituff International Ltd.	Nil

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
GM-Corporate Affairs & Company Secretary

K. K . Vijayvergiya
Whole Time Director



Consolidated Financial Section

Consolidated Independent Auditors' Report

To

The Board of Directors of Flexituff International Ltd.

We have audited the accompanying consolidated financial statements of FLEXITUFF INTERNATIONAL LIMITED and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the

overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We did not audit the financial statements of subsidiaries companies, whose financial statements reflect the total assets of ₹1,116.85/- million as at March 31, 2013 and, total revenues of ₹1,073.67/- million for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Company's management, and our opinion is based solely on the reports of the other auditors.

For L.K.Maheshwari & Co.
Chartered Accountants
FRN No. 000780C

(Abhay Singi)
Partner

Place : Indore
Dated : 27th May 2013

Membership No 079873

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

(₹ in Million)

S N	Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
I.	EQUITY AND LIABILITIES					
	1. Shareholder's Fund					
	a. Share Capital	2	229.81		217.32	
	b. Reserve & Surplus	3	2,890.50	3,120.31	2,464.43	2,681.75
	2. Minority Interest			12.56		16.73
	3. Non Current Liabilities					
	a. Long Term Borrowings	4	1,395.80		1,233.55	
	b. Deferred Tax Liability (Net)		390.50		296.27	
	c. Other Long term liabilities	5	2.33		2.75	
	d. Long term provisions	6	20.29	1,808.92	15.16	1,547.73
	4. Current Liabilities					
	a. Short Term Borrowing	7	1,967.62		1,325.95	
	b. Trade Payable	8	2,005.81		1,400.42	
	c. Other current liabilities	9	1,188.73		934.60	
	d. Short term Provisions	10	102.16	5,264.32	115.03	3,776.01
	Total			10,206.11		8,022.22
II.	ASSETS					
	1. Non Current Assets					
	a. Fixed Assets	11				
	i) Tangible Assets		4,398.38		3,972.02	
	ii) Intangible Assets		38.97		48.15	
	iii) Capital Work in Progress		336.63	4,773.98	0.00	4,020.17
	iv) Goodwill on consolidation			6.75		7.50
	b. Non Current Investments			10.24		-
	c. Long term loans and advances	12		25.59		21.84
	d. Other non-current assets	13		0.64		0.73
	2. Current Assets					
	a. Inventories	14	1,431.47		1,069.32	
	b. Trade Receivable	15	2,500.63		2,051.30	
	c. Cash & Cash Equivalents	16	262.35		225.16	
	d. Short term loans & Advances	17	1,194.45		626.19	
	e. Other Current Assets		-	5,388.90	-	3,971.97
	Total			10,206.11		8,022.22
	Significant Accounting Policies and Notes on financial statements	1 – 26				

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
GM-Corporate Affairs & Company
Secretary

K. K . Vijayvergiya
Whole Time Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2013

(₹ in Million)

S N	Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I.	Revenue from Operation	18	9,707.19	7,434.05
II.	Other Income	19	35.78	37.85
III.	Total Revenue (I +II)		9,742.97	7,471.90
IV.	EXPENSES :			
	Cost of Material Consumed	20	4,772.44	4,335.05
	Purchases of Stock in Trade	21	1,921.81	215.08
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	-286.28	42.99
	Employee benefit expense	23	931.10	823.61
	Financial costs	24	664.14	491.62
	Depreciation and amortization expense	11	237.27	180.13
	Other expenses	25	1,067.98	892.95
	Total		9,308.46	6,981.42
V.	Profit Before Tax (III-IV) (Prior to Foreign Exchange Fluctuation)		434.51	490.48
VI.	Tax Expenses			
	Current Tax		74.57	92.85
	- for Corporation Tax & Defence Contribution		0.71	-
	- Mat Credit Entitlement		-74.01	-89.73
	- for Deferred Tax		94.54	108.99
VII.	Profit After Tax (Prior to Foreign Exchange Fluctuation)		338.70	378.39
	Less :-			
	Provision for Foreign Exchange Fluctuation		83.75	-
VIII.	Net Profit before Share of Minority		254.95	378.39
IX.	Pre-acquisition Profits & Share of Minority		-4.17	0.34
X.	Net Profit (+) / Loss (-) for the year		259.12	378.04
	Earning per share in ₹			
	Basic		11.88	19.57
	Diluted		11.61	18.96
	Significant Accounting Policies and Notes on financial statements	1 – 26		

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
*GM-Corporate Affairs & Company
Secretary*

K. K . Vijayvergiya
Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2013

(₹ in Million)

S N	Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
A)	Cash Flow From Operating Activity				
	Net Profit before tax		434.51		490.48
	Adjustment for :				
	Depreciation & Amortisation		237.27		180.13
	Foreign Currency Exchange Fluctuation Reserve		-39.43		78.30
	Provision for Foreign Exchange Fluctuation		-83.75		-
	Foreign Currency Translation Reserve		-7.75		-14.42
	Profit/Loss on Assets Retirement		1.04		-7.82
			541.89		726.67
	Interest & Financial Charges		664.14		491.62
	Operating Profit before Working Capital changes		1,206.03		1,218.29
	Adjustment for				
	Trade Receivable	-449.34		-586.88	
	Inventories	-362.15		149.43	
	Other Assets	-507.58		-242.34	
	Current Liabilities	859.52	-459.55	325.53	-354.25
	Cash from Operating Activity		746.48		864.04
	Direct Taxes Paid (net)		-89.77		-19.67
	Net Cash from Operating Activity (A)		656.71		844.37
B)	Cash Flow from Investing Activity				
	Purchase of Fixed Assets / CWIP	-997.68		-801.38	
	Sale Proceed from Assets Retirement	5.61		25.85	
	Net Cash used in Investing Activity (B)		-992.07		-775.53
C)	Cash Flow from Financing Activity				
	Equity Share Issued/Share Warrants/Share Premium	253.34		625.23	
	Proceeds from Long Term Borrowing	166.95		-	
	Proceeds from Short Term Borrowing	641.67		238.97	
	Repayment of Long Term Borrowing			-341.80	
	Payment of Dividends	-25.28		-20.07	
	Payment of Interest & Financial Charges	-664.14		-491.62	
	Net Cash used in Financing Activity (C)		372.54		10.72
	Net Increase in Cash & Cash Equivalents (A+B+C)		37.18		79.57
	Opening Balance in Cash & Cash Equivalents		225.17		145.59
	Closing Balance in Cash & Cash Equivalents		262.35		225.17

Notes :

- The Cash Flow Statement has been prepared in indirect method with corresponding adjustment in Assets & Liabilities.
- Cash & Cash Equivalents represent Cash & Bank Balances which are short-term in nature.
- Previous year figures have been regrouped & reclassified where ever necessary in confirmation with current year figures.

As per our report of even date attached

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
GM-Corporate Affairs & Company
Secretary

K. K. Vijayvergiya
Whole Time Director

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS for the year ended on 31st March, 2013.

NOTE 1

I) SIGNIFICANT ACCOUNTING POLICES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

The Consolidated financial statements envisage combining of financial statements of Flexituff International Ltd and all its subsidiaries.

The following components are included in consolidation:

A. Direct Subsidiaries:

Name of Company	Country of Incorporation	Nature of Business	Date of Becoming Subsidiary/ Incorporation	Proportion of Ownership Interest
Satguru Polyfab Pvt. Ltd.	India	Reprocessing of Plastic waste/Scrap	24 Oct., 2008 / 10 Nov., 1997	78.60%
Flexiglobal Holdings Ltd.	Cyprus	Holding of Investment & Group financing	22 Sep., 2008 / 22 Sep., 2008	100%
Nanofil Technologies Pvt. Ltd.	India	Manufacturing of Chemical and Master Batches	15 Dec., 2009/ 15 Dec., 2009	100%

B. Indirect Subsidiaries (Subsidiaries of Flexiglobal Holdings Ltd.):

Name of Company	Country of Incorporation	Nature of Business	Date of Becoming Subsidiary/ Incorporation	Proportion of Ownership Interest
Lakshmi Incorporated -MDH Global Packaging Solutions	USA	Distribution of FIBC (Flexible Intermediate Bulk Container)	October 7th, 2009/ January 5th, 2009	100%
Flexiglobal (UK) Ltd.	UK	Distribution of FIBC (Flexible Intermediate Bulk Container)	December 1st, 2009/ August 4th, 2008	100%

II) PRINCIPLES OF CONSOLIDATION

- The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.
- The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial Statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of 10 years beginning first full year of operation under consolidation.
- Minority interests' share of the net profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority interests' share of net profit / loss of consolidated Subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the shareholders of the Company.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Variation in the respective accounting policies is given effect to in the consolidated financial statements only if the impact is significant.
- In case of foreign subsidiary, M/s. Flexiglobal Holdings Ltd. being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

NOTE 1 (Contd.)

III) SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The audited financial statements of foreign subsidiaries have been prepared in accordance with the generally accepted accounting principle of its country of incorporation or International Financial Reporting Standards. The differences in accounting policies of the company and its subsidiaries are not material.

b. Going Concern

Since the Board of Directors of Laxmi Incorporated has cease the operations of Laxmi Incorporated as of an undetermined date, hence going concern status of such indirect subsidiary is questionable.

c. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Particulars	(₹ in Million)			
	As at 31.03.2013		As at 31.03.2012	
AUTHORISED:				
30000000 Equity Shares of ₹10/- each		300.00		250.00
(P.Y. 25000000 Equity Shares of ₹10/- each)				
		300.00		250.00
ISSUED, SUBSCRIBED, CALLED & PAID UP :				
22980633 Equity Shares of ₹10/-each fully paid up				
(Out of above during the year 1227273 share of ₹10/- each at a premium of ₹210/- each is issued through Private placement to TPG Growth II SF Pte. Ltd. & 21550 Equity Shares of ₹10/- each at a premium of ₹85/- under ESOP Scheme.)		229.81		217.32
(Previous year 21731810 Equity Shares of ₹10/-each fully paid up)				
		229.81		217.32
2.1 Details of Shareholders holding more than 5% shares :	No. of Shares	% Held	No. of Shares	% Held
Name of the Shareholder				
A. Kalani Industries Pvt. Ltd.	3,621,730	15.76	3,483,600	16.03
B. Clearwater Capital Partners(Cyprus)Ltd.	2,236,592	9.73	2,236,592	10.29
C. Saurabh Properties Pvt. Ltd.	1,637,730	7.13	1,270,530	5.85
D. Miscellani Global Pvt. Ltd.	1,359,163	5.91	1,217,520	5.60
E. TPG Growth II SF Pte. Ltd.	1,227,273	5.34	-	0.00
2.2 The reconciliation of the number of shares outstanding is set out below :-				
Equity Shares at the beginning of the year	21,731,810		17,212,110	
Add : Shares issued in Initial Public Offer	-		4,500,000	
Add : Conversion of Fully Convertible Debenture	-		-	
Add : Conversion of Warrants into Equity Shares	-		-	
Add : Allotment on Private placement basis	1,227,273		-	
Add : Shares issued on exercise of Employee Stock Options	21,550		19,700	
Equity Shares at the end of the year	22,980,633		21,731,810	
2.3 The Company has reserved issuance of 1075000 (Previous year 1075000) Options under Employees Stock Option Scheme (ESOP) 2011 @ ₹95/- per share for offering to eligible employees of the Company. During the year 2012-13, 21550 options are exercised by the option holders (Previous year 19700).				

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 3 RESERVE AND SURPLUS		
i. Capital Reserve		
a. SEZ Re-Investment Allowance Reserve	145.52	113.34
Add :- Addition during the year	79.35	136.37
	224.87	249.71
Less :- Utilized during the year	61.96	104.19
Closing Balance	162.91	145.52
ii. Securities Premium Account		
Opening Balance	1,413.63	833.60
Addition during the year	259.56	654.17
Less : Utilization during the year against Private Placement/IPO Expenses	18.70	74.14
Closing Balance	1,654.49	1,413.63
iii. Other Reserves :-		
a. General Reserve Account	140.50	140.50
b. Foreign Currency Translation Reserve	-25.98	-18.23
c. Foreign Currency Exchange Fluctuation Reserve	42.00	81.43
iv. Profit & Loss Account		
Opening Balance	701.58	380.97
Addition during the year	259.12	378.04
Add : SEZ Re-Investment Allowance Reserve Utilization A/c	61.96	104.19
Less : Utilization during the year :-		
a. Proposed Dividend	22.98	21.73
b. Dividend for Earlier years	0.02	-
c. Dividend Distribution Tax	3.73	3.53
e. Transfer to General Reserve Account	-	-
f. Transfer to SEZ Re-Investment Allowance Reserve	79.35	136.37
Closing Balance	916.58	701.58
	2,890.50	2,464.43

A(i) FROM BANKS:		
a - UCO Bank, Indore***	34.25	68.58
(Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement i.e. 27.10.2007, present rate of Interest -14.50 % P.A.)		
b - ING Vysya Bank , Indore	133.13	-
(Payable in 16 quarterly Instalments of ₹84.35 lacs & 8 quaterly instalments of ₹18.80 lac, date of disbursement 13.08.2012, present rate of interest -14.20% P.A.)		
c - Axis Bank Ltd. Indore	116.68	174.84
(Payable in 12 quarterly Instalments after 9 months from the date of disbursement i.e. 03.08.2010, present rate of interest -14 .50% P.A.)		
e - UCO Bank, Indore 3923***	89.58	121.52
(Payable in 17 unequal quarterly Instalments after 11 month from the date of disbursement w.e.f. 26.03.2009, present rate of interest - 15 % P.A.)		
f - UCO Bank, Indore*	236.76	298.62
(Payable in 24 quarterly Instalments after 6 months from the date of disbursement i.e. 20.05.2010, present rate of interest -14.50 % P.A.)		

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 4 LONG TERM BORROWINGS (Contd.)		
g - State Bank of India, Indore (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursment w.e.f. 29.08.2008, present rate of interest -14.50 % P.A.)	87.79	111.34
h - Central Bank of India, Indore (Payable in 24 quarterly Instalments, w.e.f. 30.08.2008, present rate of interest -14.00 % P.A.)	50.67	69.87
i - Punjab National Bank, Indore ** (Payable in 24 quarterly Instalments after 1 year from the date of disbursment w.e.f. 03.09.2008, present rate of interest - 14.50 % P.A.)	124.92	153.16
j - UCO Bank, Indore * (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursment w.e.f. 18.12.2009, present rate of interest -14.50 % P.A.)	163.14	202.50
k - State Bank of India, Indore (Payable in 7 years (24 quarterly Instalments) after 1.25 year from the date of disbursment w.e.f. 31.12.2009, present rate of interest 14.50 % P.A.)	69.90	89.90
l - State Bank of Patiala, Indore (Payable in 4 quarterly Instalments of ₹1.31 mln and 20 instalments of ₹5.238 mln after 1 year from the date of disbursment w.e.f. 26.03.2010, present rate of interest - 14.00 % P.A.)	83.74	99.45
m - Punjab National Bank, Indore (Payable in 23 quarterly Instalments after 1.5 year from the date of disbursment w.e.f. 20.05.2010, present rate of interest -14.50 % P.A.)	79.01	94.41
n - Central Bank of India ,Indore (Payable in 24 quarterly Instalments, w.e.f. 31.12.12, present rate of interest - 14.00 % P.A.)	91.37	-
Out of the above Secured Term Loans, the following amount have been converted into Foreign Currency Term Loans for a period of six months :-		
*UCO Bank ₹335,299,971/= on 28.03.2013		
**PNB ₹117,037,189/= on 31.10.2012		
***UCO Bank ₹188,078,000/= on 28.03.2013		
A(ii) Term Loan for Satguru, Kandla		
a - State Bank of Patiala, Orbit Mall Indore (Repayable door to door tenor 7-1/4 years)	37.44	47.44
b - State Bank of Travancore, Indore (Repayable door to door tenor 7-1/4 years)	33.13	70.57
	41.53	88.97
Sub Total (c/d)	1,431.49	1,573.16

(₹ in Million)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 4 LONG TERM BORROWINGS (Contd.)		
Sub Total (b/d)	1,431.49	1,573.16
B FROM FINANCIAL INSTITUTIONS:		
i) G E Capital Services (36 months from the date of first Drawdown dtd. 27.09.2012, present rate of interest @ 13.75 % P.A.)	191.36	-
ii) MPFC Capital Market	-	4.61
C Secured Term Loan / Hire Purchase and Leasing at FGH	69.14	76.48
D UNSECURED LOANS :		
Religare Finvest Limited (7 Semi –annual installments, respectively with the first installment to be paid upon the expiry of six months from the drawdown date i.e 31.12.2012, rate of Interest @18% P.A.)	400.00	-
TOTAL(A+B+C+D)	2,092.00	1,654.25
Less : Current maturities of long term debt	696.20	420.70
TOTAL	1,395.80	1,233.55

Nature of security on secured loans :

1. Term Loans are secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets & a second charge on all current assets of the company.
2. All term loans facilities are further secured by Personal Guarantee of Shri Manish Kalani, Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries Pvt.Ltd.
3. In case of G E Capital Services India - (i). First and exclusive charge over Equipment financed through the Facility in accordance with the Deed of Hypothecation. (ii). Personal Guarantee of Mr. Manish Kalani. (iii). Corporate Guarantee of M/s Kalani Industries Pvt Ltd.
4. Loan from Religare Finvest limited - Personal guarantee of Mr Manish Kalani & Mr Saurabh Kalani.

NOTE 5 OTHER LONG TERM LIABILITY

Vehicle Loans	3.93	3.61
(Vehicle Loan are secured by hypothecation of the respective Vehicles of the Company)		
less : Current maturities of other long term debt	1.60	0.86
	2.33	2.75

NOTE 6 LONG TERM PROVISION

Outstanding Group Gratuity Contribution	20.29	15.16
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NOTE 7 SHORT TERM BORROWING

(A) SECURED WORKING CAPITAL LOANS :-				
i) UCO Bank, Indore				
Cash Credit Loan	278.77		277.15	
Export Packing Credit	166.23		6.51	
Export Packing Credit (New Gold Card)	44.19	489.19	46.40	330.06
ii) Punjab National Bank, Indore				
Cash Credit Loan	150.61		146.91	
Export Packing Credit	203.61	354.22	269.85	416.76
iii) Central Bank of India, Indore				
Cash Credit Loan	191.69		186.18	
Export Packing Credit	115.08	306.77	140.92	327.10

(₹ in Million)

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE 7 SHORT TERM BORROWING (Contd.)				
iv) State Bank of India, Indore				
Cash Credit Loan	65.26		4.70	
Export Packing Credit	-	65.26	17.08	21.78
v) State Bank of India, Pithampur				
Cash Credit Loan		5.28		5.99
vi) State Bank of Patiala, Indore				
Cash Credit Loan	90.53		23.16	
Export Packing Credit	58.33	148.86	18.13	41.29
vii) State Bank of Patiala, Gandhidham				
Cash Credit Loan		1.80		2.51
viii) State Bank of Travancore, Indore				
Cash Credit Loan		16.07		15.41
ix) Axis Bank Ltd., Indore				
Cash Credit Loan	55.51		65.19	
Export Packing Credit	-		79.82	
Packing Credit in Foreign Currency	21.34	76.85	-	145.01
x) ICICI Bank Ltd., Indore				
Cash Credit Loan	81.09			
Export Packing Credit	2.74	83.82		-
xi) ING Vysya Bank, Indore				
Cash Credit Loan	74.42			
EPC & PCFC	20.94			
WCDL	72.50	167.86		-
xii) Chinatrust Commercial Bank, New Delhi				
W.C.D.L.	-0.11			
Export Packing Credit	198.45	198.33		-
TOTAL (A)		1,914.31		1,305.91
1. The Working capital facilities are secured by First charge on all current assets viz .Raw Material Stores & Spares, Work-in-Progress, Finished Goods and Book Debts & Second charge on all fixed assets of the Company.				
2. All working capital facilities are further secured by Personal Guarantee of Shri Manish Kalani, Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.				
(B) UNSECURED LOANS FROM OTHERS		53.32		20.05
TOTAL(A+B)		1,967.62		1,325.95

NOTE 8 TRADE PAYABLES

Trade Creditors		2,005.81		1,400.42
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NOTE 9 OTHER CURRENT LIABILITIES

i) Creditors for Capital Goods	58.37		116.59	
ii) Sundry Liabilities	354.17		368.92	
iii) Tax Payable	40.82		15.65	
iv) Unpaid Dividend	0.04		0.03	
v) Current maturities of long term debt	696.20		420.70	
vi) Current maturities of other long term debt	1.60		0.86	
vii) Current maturities of long term debt related to forex fluctuation (FCTL)	27.03		-	
viii) Accrued Interest on TL	10.50	1,188.73	11.84	934.60

NOTE 10 SHORT TERM PROVISION

i) For Income Tax	75.41		89.73	
ii) For Wealth Tax	0.04		0.04	
iii) For Proposed Dividend	22.98		21.73	
iv) For Dividend Tax	3.73	102.16	3.53	115.03

Notes Forming Part Of Accounts For The Year Ended On March 31st, 2013.

NOTE 11 FIXED ASSETS		₹ in Million)										
Sl. No	Name of the Assets	Gross block			Depreciation			Net block				
		As on 01.04.2012	Addition	Deduction	As on 31.03.2013	As on 01.04.2012	Written Back Adjustment	Amortisation	For the Year	As on 31.03.2013	As on 31.03.2012	
Tangible Assets												
1	Land (Lease Hold)	24.75	-	-	24.75	2.23	-	0.02	-	2.25	22.50	22.52
2	Land (Free Hold)	160.28	0.16	-	160.44	-	-	-	-	-	160.44	160.28
3	Factory Building	904.39	54.22	-	958.61	87.51	-	-	29.42	116.94	841.68	816.87
4	Plant & Machinery	3,125.46	578.01	7.81	3,695.66	430.15	0.91	-	176.49	605.73	3,089.92	2,695.31
5	Electric Installation	202.37	12.93	-	215.30	26.94	-	-	10.91	37.84	177.45	175.43
6	Furniture & Fixtures	36.45	2.44	-	38.89	7.76	-	-	2.70	10.47	28.42	28.69
7	Office Equipments	61.46	7.53	-	68.98	6.96	-	-	3.06	10.02	58.96	54.50
8	Vehicles - Cars	15.63	3.46	1.69	17.40	5.42	1.22	-	1.73	5.93	11.47	10.22
9	Vehicles - Others	0.23	0.05	-	0.28	0.18	-	-	0.01	0.20	0.08	0.05
10	Computer	16.19	2.12	-	18.32	8.03	-	-	2.84	10.87	7.45	8.16
	Sub Total (A)	4,547.20	660.92	9.50	5,198.62	575.19	2.14	0.02	227.17	800.24	4,398.38	3,972.02
Intangible Assets												
11	Patent	0.84	0.13	-	0.97	0.23	-	-	0.09	0.32	0.65	0.61
12	Goodwill (UK)	9.66	-	-	9.66	7.24	0.01	-	2.43	9.66	-	2.42
13	Development Assets	47.59	-	-	47.59	2.48	-	-	6.80	9.28	38.32	45.12
	Sub Total (B)	58.10	0.13	-	58.22	9.95	0.01	-	9.32	19.26	38.97	48.15
	TOTAL C= (A+B)	4,605.30	661.05	9.50	5,256.85	585.13	2.15	0.02	236.49	819.50	4,437.35	4,020.17
Other												
14	Goodwill on Consolidation	9.26	-	-	9.26	1.76	-	-	0.75	2.51	6.75	7.50
	Sub Total (D)	9.26	-	-	9.26	1.76	-	-	0.75	2.51	6.75	7.50
	GRAND TOTAL E= (C+D)	4,614.56	661.05	9.50	5,266.11	586.89	2.15	0.02	237.24	822.01	4,444.10	4,027.67
	Previous Year	3,129.92	1,515.63	30.99	4,614.56	417.88	11.11	4.75	175.38	586.89	4,027.67	2,712.04

Note : Adjustment representing the fluctuation in currency rate.

(₹ in Million)

Particulars	As at 31.03.2013		As at 31.03.2012	
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NOTE 12 LONG TERM LOANS AND ADVANCES

Sundry Deposits		25.59		21.84
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NOTE 13 OTHER NON CURRENT ASSETS

Miscellaneous Expenditure : (To the extent not written off or adjusted)	0.73		0.83	
Less : Written off during the period	0.09	0.64	0.09	0.73

NOTE 14 INVENTORIES

i) Raw materials		204.95		158.70
ii) a) Finished Goods	564.29		382.37	
b) Semi-Finished Goods	382.84		414.79	
c) Waste / Scrap	7.71		9.68	
d) Moulding Articles	-		0.03	
e) Stock at Depot	147.25	1,102.09	8.94	815.81
iii) Store & Spares parts		122.90		93.27
iv) Loose Tools / Paintings		1.53		1.53
		<u>1,431.47</u>		<u>1,069.32</u>

NOTE 15 TRADE RECEIVABLES

(Unsecured, Considered Good)				
i) Exceeding six months from the date they are due for payment		462.18		165.28
ii) Others		2,038.45		1,886.01
		<u>2,500.63</u>		<u>2,051.30</u>

NOTE 16 CASH & CASH EQUIVALENTS

i) Cash in Hand		4.57		4.44
ii) Balance with Scheduled Banks:				
a) - In Current Accounts	48.07		62.32	
b) - In Margin Money Deposit Accounts	209.37	257.44	149.90	212.22
c) - Other FDRs		0.34		8.50
		<u>262.35</u>		<u>225.16</u>

NOTE 17 SHORT TERM LOANS & ADVANCES

(Unsecured, Considered Good)				
i) Advance against Supplies & Expenses		541.32		299.23
ii) Advance to Staff & Workers		17.34		36.05
iii) Advance recoverable in cash or in kind or value to be received		24.55		25.46
iv) Sundry Deposits		5.75		7.95
v) Other Advances / Recoverables		557.42		232.17
vi) Tax Deducted at Source		8.32		2.50
vii) Balance With Excise Authorities		39.75		22.83
		<u>1,194.45</u>		<u>626.19</u>

NOTE 18 REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
SALE OF PRODUCTS :-				
i) Export Sales		5,711.98		5,427.25
ii) Domestic Sales & Receipts		4,094.28		2,070.89
Less : Excise Duty		99.06		64.10
		<u>9,707.19</u>		<u>7,434.05</u>

(₹ in Million)

Particulars		Year ended 31.03.2013	Year ended 31.03.2012
NOTE 19 OTHER INCOME			
i)	Interest Received	21.75	15.92
ii)	Other Non Operating Income :-		
a)	Profit on sale of Agglomerates / Scrap	6.86	1.65
b)	Other Receipts	7.17	20.27
		35.78	37.85
NOTE 20 COST OF RAW MATERIAL CONSUMED			
i)	Granuels, Master Batch & fabric	4,042.98	3,944.11
ii)	Others Raw Material	729.47	390.94
		4,772.44	4,335.05
NOTE 21 PURCHASES OF STOCK IN TRADE			
i)	Purchase of Bag, FIBC/Moulding Articles & sheet	1,846.86	172.85
ii)	Purchase of Liner, Rope, Belt, Waste etc.	8.75	0.56
iii)	Purchase of Fabric	7.75	14.75
iv)	Purchase for Woven Sacks	58.45	26.92
		1,921.81	215.08
NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE			
i)	Finished Goods & Work in Progress		
a)	Finished	564.29	382.37
b)	Semi Finished	382.84	414.79
c)	Waste/Scrap	7.71	9.68
d)	Moulding Articles/ Others	-	0.03
e)	Stock at Depot	147.25	8.94
		1,102.09	815.81
ii)	Less : Opening Stock		
a)	Finished	382.37	438.84
b)	Semi Finished	414.79	406.17
c)	Waste/Scrap	9.68	13.26
d)	Moulding Articles / others	0.03	0.06
e)	Stock at Depot	8.94	0.46
		815.81	858.80
		286.28	(42.99)
NOTE 23 EMPLOYEE BENEFIT EXPENSES			
i)	Labour charges	113.20	105.59
ii)	Factory Salary & Wages & Bonus	619.96	533.94
iii)	Provident Fund & ESI Contribution	44.76	40.90
iv)	Administrative Salaries & Allowances	124.53	116.37
v)	Staff & Workmen Welfare Expenses	28.64	26.80
		931.10	823.61
NOTE 24 FINANCE COST			
A	Interest Expenses :-		
i)	Interest on Term Loan	149.48	216.99
ii)	Interest on Working Capital	224.93	142.34
iii)	Interest to Others	11.49	14.54
iv)	Interest on Income Tax	10.84	1.58
B	Other Borrowing Cost :-		
i)	Bills Discounting Charges	173.35	56.54
ii)	Misc Bank Charges	94.93	60.21
C	Foreign Exchange Fluctuation	(0.88)	(0.58)
		664.14	491.62

(₹ in Million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE 25 OTHER EXPENSES		
(A) : MANUFACTURING EXPENSES		
i) Power & Fuel	266.28	239.25
ii) Rent, Rates and Taxes	18.42	23.29
iii) Jobwork expenses	72.71	51.10
iv) Consumption of Stores & Spare parts	67.18	61.97
v) Repairs & Maintenance	9.09	7.85
vi) Freight Inward	36.65	20.05
vii) Entry Tax	11.84	8.29
viii) Laboratory and R & D Expenses	0.62	1.20
ix) Factory Expenses	1.63	1.71
	484.41	414.72
(B) : ADMINISTRATIVE EXPENSES		
i) Courier & Telephone Expenses	16.13	16.01
ii) Vehicle Running Expenses	6.58	5.26
iii) Insurance Charges	11.13	9.30
iv) Rent for Office / Guest House	3.09	1.30
v) Legal and Professional Fees	88.76	72.81
vi) Miscellaneous Expenses	66.14	39.87
vii) Provision for Wealth tax	0.05	0.04
	191.87	144.58
(C) : SELLING EXPENSES		
i) Freight & Carriage Outward	283.56	226.61
ii) Travelling Expenses:		
a) Directors	4.49	-
b) Staff	18.76	23.25
		28.73
iii) Advt.,Newspaper & Periodicals	0.78	0.51
iv) Inspection Charges	3.93	4.12
v) ECGC Premium	5.95	5.83
vi) Tender Fees & Form Expenses	0.10	0.00
vii) Rebate & Discount on Sale:		
a) Domestic Sale	6.82	4.07
b) Export sale	0.09	6.91
		0.07
viii) Business Promotion Expenses	9.05	8.28
ix) Commission on Sales:		
a) Domestic Sale	1.70	0.55
b) Export sale	3.99	5.69
		4.50
x) Taxation on Domestic Sale:		
a) Commercial Tax / CST	44.62	48.48
b) Value Added Tax	7.86	52.48
		1.88
	391.70	333.65
Total of Other Expenses	1,067.98	892.95

NOTE 26 NOTES ON ACCOUNTS**A) CONTINGENT LIABILITIES AND COMMITMENTS**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹318.02 million (Previous Year ₹57.43 million)
- ii) Guarantee given by Bank on behalf of the Company for ₹79.78 million (Previous year ₹73.10 million)
- iii) On account of Letter of Credit for ₹144.52 million (Previous year ₹176.37 million).

NOTE 26 NOTES ON ACCOUNTS (Contd.)

- iv) Foreign Bills Discounted with Bank ₹354.97 million (Previous year ₹329.52 million).
- v) Claims against the Company /disputed liabilities not acknowledged as debts amounting to ₹21.76 million (Previous year 30.70 million).
- vi) Corporate Guarantee given by the Company is as under :

Sr.	GIVEN IN FAVOUR OF	GIVEN ON BEHALF OF	AMOUNT
1	Customs & Excise Department	Entertainment World Developers Limited, Mumbai	₹4.55 million (Previous Year ₹4.55 million)
2	Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd., Kashipur	₹0.20 million (Previous Year ₹0.20 million)

- vii) Outstanding of Taxes on account of disputes are as follows
- a) The company filed appeal before CIT(A) / ITAT and contested Income Tax demand for the A.Y. 2004-05, 2005-06 and 2006-07 for ₹17.14 million ₹15.39 million & ₹6.03 million respectively and also contested TDS demand for the A.Y.2005-06 to 2007-08 ₹0.71 million.
- b) The Income Tax department has filed an appeal before the M.P.High Court, challenging the order of ITAT passed in favor of Company for the A.Y.2003-04. The amount of tax and penalty is ₹6.58 million and 1.45 million respectively.
- c) The company has contested M.P.VAT. demand for F.Y. 2007-08 , 2008-09 & 2009-10 for ₹1.96 million, ₹1.06 million & ₹4.30 million respectively and Entry Tax demand for F.Y. 2006-07 , 2007-08, 2008-09 and 2009-10 for ₹10.86 million, ₹1.68 million, ₹2.90 million & ₹3.51 million respectively as per legal opinion obtained.
- d) The company has contested VAT Demand for FY 2009-10, 2010-11& 2011-12 for ₹0.10 million, ₹2.75 million and ₹7.82 million respectively at Kashipur unit.

B) In the opinion of the Board of Directors the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

C) EARNING PER SHARE (AS-20)

(a) Net Profit after Tax (As per Profit / Loss Account) Number of fully paid up equity share of ₹10/- each	₹259.12 million (Previous year ₹378.04 million) 22980633 Equity Share (Previous year 21731810 Equity Shares)
(b) Weighted average number of equity Shares outstanding during the year	21803469 Equity Shares (Previous year 19317368 Equity shares)
(c) Effects of potential dilutive equity share	523179 Equity Shares (Previous year 623292 Equity Shares)
(d) Weighted average number of equity in computing diluted earning per share	22326648 Equity Shares (Previous year 19940660 Equity Shares)
(e) Earning per share:	
- Basic [(a)/(b)]	₹11.88 (Previous year ₹19.57)
- Diluted [(a)/(d)]	₹11.61 (Previous year ₹18.96)

NOTE 26 NOTES ON ACCOUNTS (Contd.)

- D) During the year the Company has booked the amount of interest subsidy of ₹20.65 million (Previous year ₹230.76 million) and the same has been credited in interest paid on term loan account.
- E) During the year the Company has preferentially allotted 1227273 Equity share of ₹10/- each at a premium of ₹210/- each through private placement to TPG Growth II SF Pte. Ltd.
- F) Insurance Claim pertaining to damage on 01.10.2012, to the factory premises at Kashipur including stock, building, plant & machinery etc ₹13.96 million is provided. Claim from Insurer is yet to be settled, against which sufficient insurance coverage is available.
- G) Segment Information (AS-17)

The Company is principally engaged in the business of Manufacturing of HD/PP Woven sacks and FIBC/Jumbo Bags. There is no primary segment for reporting, However the Company has identified Geographical segments as a Secondary reportable Segment, taking into account nature of operations and services, the differing risks and returns. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

Particulars	WITHIN INDIA		OUTSIDE INDIA		TOTAL	
	2013	2012	2013	2012	2013	2012
Segment Revenue						
Revenue from Operations	8,797.97	6,521.75	916.07	912.87	9,714.04	7,434.62
Less : Inter Segment Turnover	6.01	-	0.84	0.57	6.85	0.57
Net Turnover	8,791.96	6,521.75	915.24	912.29	9,707.19	7,434.05
Segment Results before Interest, Tax and other						
Income & Provision for Foreign Exchange	1,052.79	917.32	10.09	26.92	1,062.88	944.25
Fluctuation						
Less : Interest Expenses	649.95	485.13	14.19	6.49	664.14	491.62
Add : Other Income	34.50	24.10	1.27	13.75	35.78	37.85
Profit Before Tax	437.34	456.30	(2.83)	34.18	434.51	490.48
(Prior to Foreign Exchange Fluctuation)						
Less : Tax						
Current Tax	74.57	89.73	-	-	74.57	89.73
Corporation Tax & Defence Contribution			0.71	3.11	0.71	3.11
MAT Credit Entitlement	(74.01)	(89.73)	-	-	(74.01)	(89.73)
Deffered Tax	94.54	108.99	-	-	94.54	108.99
Net Tax	95.10	108.99	-	3.11	95.81	112.10
Profit After Tax before adjustment for Minority	342.25	347.31	(3.54)	31.07	338.70	378.39
Interest & Foreign Exchange Fluctuation						
Less : Provision for Foreign Exchange Fluctuation	83.75	-	-	-	83.75	-
Less : Pre acquisition Profit/ Loss & Share of Minority	(4.17)	0.34	-	-	(4.17)	0.34
Profit After Tax after adjustment for Minority	262.67	346.97	(3.54)	31.07	259.12	378.04
Interest						
Other Information						
Segment Assets	9,553.49	7,910.52	652.62	111.70	10,206.11	8,022.22
Segment Liabilities	6,479.81	4,742.90	605.99	597.57	7,085.81	5,340.47
Depreciation & Amortisation	231.36	173.33	5.90	6.80	237.27	180.13
Capital Expenditure	996.26	1,385.16	1.42	130.47	997.68	1,515.63

NOTE 26 NOTES ON ACCOUNTS (Contd.)**H) Related Party Disclosure (AS-18)**

Name of Related Parties & Transaction with them shown in below:

Description	Associates	Key Management Personnel and their Relatives	Total
Sale of Goods	0.34	-	0.34
Receiving of services	0.87	4.14	5.01

Names of related parties and description of relationship:

1. Associates
(i) Kalani Industries Pvt. Ltd.
(ii) Entertainment World Developers Limited,
2. Key Management Personnel
Mr. Saurabh Kalani
3. Relatives of Key Management Personnel
Mrs. Padma Kalani, Mr. Manish Kalani & Mr. Kartikeya Kalani

I) Previous year figures are re-grouped or re-arranged to confirm to current year figures.

for L.K.Maheshwari & Co.,
Chartered Accountants
FRN No. 000780C

For and on behalf of Board

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Saurabh Kalani
Whole Time Director

Place : Indore
Date : 27th May 2013

Dinesh Kumar Sharma
*GM-Corporate Affairs & Company
Secretary*

K. K . Vijayvergiya
Whole Time Director



Regd. Office: 304, Diamond Prestige, 41-A, A. J. C. Bose Road
Kolkata- 700 017 West Bengal

PROXY FORM

Regd. Folio No./ DP ID*, Client ID*	
No. of Share (s) held	

I/We _____ of _____
_____ being Member/ Members of Flexituff
International Ltd hereby appoint _____ of _____
_____ or failing him/her _____ of _____
_____ or failing him/her _____ of _____ as my/our proxy
to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Monday, the
30th day of September, 2013 at 10.00 A.M. at 'Kalakunj' – Kalamandir, 48 Shakespear Sarani, Kolkata – 700017, West Bengal
and at any adjournment thereof.

Please Affix
Re.1
Revenue
Stamp

At WITNESS my/our hand (s) this.....day of2013.

* Applicable for investors holding shares in electronic form.

Note: The duly completed proxy must be deposited at 304, Diamond Prestige, 41-A, A.J. C. Bose Road, Kolkata- 700 017 (WB) India not less than FORTY EIGHT HOURS before the time of holding the aforesaid meeting.



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Kolkata- 700 017 West Bengal

ATTENDENCE SLIP

Regd. Folio No./ DP ID*, Client ID*	
No. of Share (s) held	

ANNUAL GENERAL MEETING - 30th September, 2013

Name of the attending member / Proxy (in BLOCK LETTER) _____

I/ We hereby record my/our presence at the 20th Annual General Meeting of the Company held on 30th September, 2013
Member's/ Proxy's Signature _____

* Applicable for investors holding shares in electronic form



Flexituff
International

Flexituff International Limited

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