



Consolidated Auditors' Report

CA. Abhay Singi
B.Com., F.C.A.

To
The Board of Directors of Flexituff International Ltd.

We have audited the attached Consolidated Balance Sheet of M/s Flexituff International Limited and its subsidiaries as at March 31, 2012 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended March 31, 2012 annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have not audited the financial statements of subsidiaries companies, whose financial statements reflect the total assets of Rs. 282.72 million (Previous Year Rs. 337.50 million) as at March 31, 2012 and, total revenues of Rs. 1357.04 million (Previous Year Rs. 1126.83 million) [before giving effect to the consolidation adjustments] 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.

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21, on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and notified under sub-section (3C) of Section 211 of the Companies Act, 1956.

Based on our audit and on consideration of the report of other auditors on the separate financial statements of the subsidiaries and to the best of our information and according to the explanations given to us we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its Subsidiaries as at March 31, 2012;
- in the case of the Consolidated Profit & Loss Account, of the profit of the Company and its Subsidiaries for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its Subsidiaries for the year ended on that date.

Indore,

Dated : 30th May 2012

For L.K. Maheshwari & Co.
Chartered Accountants
FRN - 000780C


(Abhay Singi)
Partner
M.No. 079873



FLEXITUFF INTERNATIONAL LIMITED
 Regd. Office : 304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata-700 017 (W.B.)
CONSOLIDATED BALANCE SHEET AS AT 31 st MARCH 2012

S N	PARTICULARS	Note No	Figures as at the end of current reporting period on 31.03.12	Figures as at the end of the previous reporting period on 31.03.11	(Amount in million)
I. EQUITY AND LIABILITIES					
1 Shareholder's Fund					
a)	Share Capital	2	217.32	172.12	
b)	Reserve & Surplus	3	<u>2,464.43</u>	<u>1,467.73</u>	1,639.85
2 Minority Interest					
			16.73		16.21
3 Non Current Liabilities					
a)	Long Term Borrowings	4	1,233.55	1,577.23	
b)	Deferred Tax Liability (Net)		296.27	186.18	
c)	Other Long term liabilities	5	2.75	0.69	
d)	Long term provisions	6	<u>15.16</u>	<u>15.34</u>	1,779.45
4 Current Liabilities					
a)	Short Term Borrowing	7	1,325.95	1,086.98	
b)	Trade Payable	8	1,400.42	1,252.75	
c)	Other current liabilities	9	934.60	756.74	
d)	Short term Provisions	10	<u>115.03</u>	<u>39.78</u>	3,136.25
	Total		<u><u>8,022.22</u></u>	<u><u>6,571.76</u></u>	
II ASSETS					
1 Non Current Assets					
a)	Fixed Assets	11			
	I) Tangible Assets		3,972.02	2,697.76	
	II) Intangible Assets		48.15	5.94	
	III) Capital Work in Progress		<u>0.00</u>	<u>714.25</u>	3,417.96
	IV) Goodwill on consolidation			7.50	8.34
b)	Non Current Investments				
c)	Long term loans and advances	12	21.84		20.10
d)	Other non-current assets	13	0.73		0.83
2 Current Assets					
a)	Current Investments				
b)	Inventories	14	1,069.32	1,218.75	
c)	Trade Receivable	15	2,051.30	1,464.42	
d)	Cash & Cash Equivalents	16	225.16	145.59	
e)	Short term loans & Advances	17	626.19	286.28	
f)	Other Current Assets		<u>0.00</u>	<u>9.49</u>	3,124.54
	Total		<u><u>8,022.22</u></u>	<u><u>6,571.76</u></u>	

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 000780C

(Ajay Singl)
Partner
Membership No. 079873



Place : Indore
Date : 30th May 2012

(Signature)

Dinesh Kumar Sharma
GM Corporate Affairs &
Company Secretary

For and on Behalf of Board

(Signature)
Manish Kaiani
Managing Director

(Signature)
K. K. Vijayvergiya
Whole Time Director

FLEXITUFF INTERNATIONAL LIMITED
 Regd. Office : 304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata-700 017 (W.B.)
STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH 2012

(Amount in million)

S N	PARTICULARS	Note No.	Figure for the current reporting year ended on 31.03.2012	Figure for the previous reporting year ended on 31.03.2011
I.	Revenue from Operation	1B	7,434.05	5,779.40
II.	Other Income	19	37.85	14.53
III.	Total Revenue (I + II)		<u>7,471.90</u>	<u>5,793.92</u>
IV.	EXPENSES :			
	Cost of Material Consumed	20	4,335.05	3,369.57
	Purchases of Stock in Trade	21	215.08	309.49
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	42.99	-390.01
	Employee benefit expense	23	823.61	743.94
	Financial costs	24	491.62	277.41
	Depreciation and amortization expense	11	180.13	148.85
	Other expenses	25	892.95	987.06
	Total		<u>6,981.42</u>	<u>5,446.32</u>
V.	Profit Before Tax (III-IV)		490.48	347.61
VI.	Tax Expenses			
	Current Tax		92.85	19.67
	- for Corporation Tax & Defence Contribution			
	- Mat Credit Entitlement for Ass.Yr. 2011-12		-89.73	-14.06
	- for Deferred Tax		108.99	47.92
VII.	Profit After Tax		378.39	294.07
VIII.	Loss on Sale of Subsidiary		0.00	0.84
IX.	Pre-acquisition Profits & Share of Minority		0.34	-16.44
X.	Net Profit (+) / Loss (-) for the year		378.04	309.67
	Earning per share in Rs			
	Basic		19.57	24.48
	Diluted		18.96	18.51

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 000780C

(Abhay Singi)
Partner
Membership No. 079873



Place : Indore

Date : 30th May 2012

Dinesh Kumar Sharma
GM Corporate Affairs &
Company Secretary

For and on Behalf of Board

Manish Kalani
Managing Director

K. K. Vijayvergiya
Whole Time Director

NOTE 1:**NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON March 31st, 2012.****I) SIGNIFICANT ACCOUNTING POLICES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :**

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



II) PRINCIPLES OF CONSOLIDATION

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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".

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 however in respect of indirect subsidiary i.e. M/s Lakshmi Incorporated -MDH Global Packaging Solution, financial year of fifteen months i.e. ended on 31st March 2012 is considered for consolidation.

b) Going Concern

Since the Board of Directors of M/s 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



FLEXITUFF INTERNATIONAL LIMITED

S N	PARTICULARS	AS AT 31.03.2012 Amount in million	AS AT 31.03.2011 Amount in million
2 : SHARE CAPITAL			
AUTHORISED :			
	2,50,00,000 Equity Shares of Rs 10/- each (Previous year 2,50,00,000 Equity Shares of Rs.10/-each)	250.00	250.00
		<u>250.00</u>	<u>250.00</u>
	ISSUED, SUBSCRIBED, CALLED & PAID UP :		
	21731810 Equity Shares of Rs.10/-each fully paid up (Previous year 17212110 Equity Shares of Rs.10/-each fully paid up)	217.32	172.12
	Total	<u>217.32</u>	<u>172.12</u>
	2.1 - 7554053 Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves (Previous year 7554053)		
	2.2 - NIL Shares out of the Issued, subscribed and paid up share capital were allotted on conversion of Fully convertible Debentures and exercise of warrants. (Previous year 5986492)		
	2.3 -Details of Shareholders holding more than 5% shares :		
	Name of the Shareholder	No. of Shares	% Held
	A. Kalani Industries Pvt. Ltd.	3483600	16.03
	B. Clearwater Capital Partners(Cyprus)Ltd.	2236592	10.29
	C. Saurabh Properties Pvt. Ltd.	1270530	5.85
	D. Miscellani Global Pvt. Ltd.	1217520	5.60
	E. Sanovi Trading Pvt. Ltd.		1217520
	F. Anshuman Properties Pvt. Ltd.		936700
	G. High Sky Properties Pvt. Ltd.		940500
	H. Fantasy Real Estate Pvt. Ltd.		904400
	I. Seven Star Properties Pvt. Ltd.		915800
			952470
			5.53
	2.4 - The reconciliation of the number of shares outstanding is set out below :-		
	Equity Shares at the beginning of the year	17212110	11523430
	Add : Shares issued on exercise of Initial Public Offer	4500000	0
	Add: Conversion of Fully Convertible Debenture	0	4486492
	Add: Conversion of Warrants Into Equity Shares	0	1068000
	Add: Allotment on Private placement basis	0	134188
	Add : Shares issued on exercise of Employee Stock Options	19700	0
	Equity Shares at the end of the year	21731810	17212110
	2.5 - The Company has reserved issuance of 1075000 (Previous year 1075000) Options under Employees Stock Option Scheme (ESOP) 2011 for offering to eligible employees of the Company. The Company has granted 1068500 Options to the eligible employees at a price of Rs. 95/- per option. The options would vest over a maximum period of 5 years. During the year 2011-12, 19700 options are exercised by the option holders (Previous year NIL).		
3 : RESERVE & SURPLUS			
i)	Capital Reserve :-		
a.	SEZ Re-Investment Allowance Reserve	113.34	0
	Add :- Addition during the year	<u>136.37</u>	<u>113.34</u>
	Less :- Utilized during the year	249.71	113.34
	Closing Balance	<u>-104.19</u>	<u>0</u>
		145.52	113.34
ii)	Securities Premium Account :-		
	Opening Balance	833.60	282.99
	Addition during the year	654.17	550.61
	Less : Utilization during the year against IPO Expenses	<u>74.14</u>	<u>0</u>
	Closing Balance	1,413.63	833.60
iii)	Other Reserves :-		
a.	General Reserve Account		
b.	Foreign Currency Translation Reserve	140.50	148.50
c.	Foreign Currency Exchange Fluctuation Reserve	-18.23	-3.81
		81.43	3.13
iv)	Profit & Loss Account		
	Opening Balance	390.97	204.71
	Addition during the year	378.04	309.67
	Add : SEZ Re-Investment Allowance Reserve Utilization A/c	104.19	
	Less : Utilization during the year	0.00	
a.	Proposed Dividend	21.73	17.21
b.	Dividend Distribution Tax	3.53	2.86
c.	Transfer to General Reserve Account	0	0
d.	Transfer to SEZ Re-Investment Allowance Reserve	136.37	113.34
	Closing Balance	<u>701.58</u>	<u>390.97</u>
		<u>2,464.43</u>	<u>1,467.73</u>



FLEXITUFF INTERNATIONAL LIMITED

S N	PARTICULARS	AS AT 31.03.2012 Amount in million		AS AT 31.03.2011 Amount in million	
4 : LONG TERM BORROWINGS					
SECURED TERM LOANS :					
A FROM BANKS:					
Rupee Currency Loan (RCL)					
I)	- 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)	68.58		102.95	
II)	- 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 % P A)	174.84	243.41	200.00	302.95
Term Loans For Kashipur Projects for Phase-I :					
I)	- UCO Bank Ltd., Indore* (Payable in 24 quarterly Instalments after 6 months from the date of disbursement i.e. 20.05.2010, present rate of interest -14.5 % P A)	298.62		355.52	
II)	- State Bank of India, Indore (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement wef 29.08.2008, present rate of interest -15.50 % P A)	111.34		150.59	
III)	- Central Bank of India, Indore (Payable in 24 quarterly Instalments, wef 30.08.2008, present rate of interest -15.00 % P A)	69.87		96.11	
IV)	- Punjab National Bank, Indore* (Payable in 24 quarterly Instalments after 1 year from the date of disbursement wef 30.08.2008, present rate of interest - 14.50 % P A)	153.16	632.99	192.68	794.90
for Phase-II :					
I)	- UCO Bank Ltd., Indore (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement wef 26.03.2009, present rate of interest -14.50 % P A)	202.50		212.38	
II)	- State Bank of India, Indore (Payable in 7 years, (24 quarterly Instalments) after 1.25 year from the date of disbursement wef 31.12.2009, present rate of interest 15.25 % P A)	89.90		101.20	
III)	- State Bank of Patiala, Indore (Payable in 4 quarterly Instalments of Rs 1.31 min and 20 Instalments of Rs 5.238 min after 1 year from the date of disbursement wef 26.03.2010, present rate of intt. 14.75 % P A)	99.45		111.18	
IV)	- Punjab National Bank, Indore (Payable in 23 quarterly Instalments after 1.5 year from the date of disbursement wef 20.05.2010, present rate of interest -14.50 % P A)	94.41		117.96	
IV)	-HSBC Bank Limited, Indore -For Others -Uco Bank Ltd., R & D Loan (Payable in 17 unequal quarterly Instalments after 11 month from the date of disbursement wef 29.03.2010, present rate of interest - 15 % P A)	0		14.55	
		121.52	607.78	155.87	713.13
Out of Above, following amount converted into Foreign Currency					
Term Loans for a period of SIX months :-					
*UCO Bank Rs 44,73,00,000/= on 14.12.2011					
*Punjab National Bank Rs 14,40,52,701/= on 29.03.2012					
Term Loan for Satguru, Kandla					
I)	- State Bank of Patiala, Indore (Repayable door to door tenor 7-1/4 years)	47.44		57.44	
II)	- State Bank of Travancore, Indore (Repayable door to door tenor 7-1/4 years)	41.53	88.97	47.03	105.27
			1,573.16		1,916.24
B FROM FINANCIAL INSTITUTIONS:					
I) MPFC Capital Market (A Div. of M.P. Financial Corporation, Indore)		4.61		24.39	
C Secured Term Loan / Hire Purchase and Leasing at FGH		76.48			
Less: Repayable in next one year		1,654.25		1,940.63	
		420.70		363.40	
		1,233.55		1,577.23	
TOTAL (A+B+C)					
Nature of security on secured loans :					
a. 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.					
b. All term loans facilities are further secured by Personal Guarantee of Shri Manish Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.					
5 : OTHER LONG TERM LIABILITY					
Vehicle Loan					
less : Instalments due within Next year					
		3.61		1.36	
		0.86		0.67	
		2.75		0.69	
Nature of security on secured loans :					
Vehicle Loan are secured by hypothecation of the respective Vehicles of the Company.					
6 : LONG TERM PROVISION					
Outstanding Group Gratuity Contribution					
		15.16		15.34	



FLEXITUFF INTERNATIONAL LIMITED

S N	PARTICULARS	AS AT 31.03.2012 Amount in million	AS AT 31.03.2011 Amount in million
7 : SHORT TERM BORROWING			
(A) SECURED WORKING CAPITAL LOANS :-			
i)	UCO Bank, Indore		
	Cash Credit Loan	277.15	233.18
	Export Packing Credit	6.51	199.77
	Export Packing Credit (New Gold Card)	46.40	37.16
		330.06	470.10
ii)	Punjab National Bank, Indore		
	Cash Credit Loan	146.91	101.07
	Export Packing Credit	269.85	197.17
		416.76	298.25
iii)	Central Bank of India, Indore		
	Cash Credit Loan	171.52	3.22
	Cash Credit Loan	14.66	14.05
	Export Packing Credit	140.92	5.50
		327.10	22.77
iv)	State Bank of India, Indore		
	Cash Credit Loan	4.70	14.51
	Export Packing Credit	17.08	57.43
		21.78	71.94
v)	State Bank of India, Pithampur		
	Cash Credit Loan		5.99
			0.88
vi)	State Bank of Patiala, Indore		
	Cash Credit Loan	23.16	24.08
	Export Packing Credit	18.13	14.00
		41.29	38.08
vii)	State Bank of Patiala, Gandhidham		
	Cash Credit Loan		2.51
			2.18
viii)	State Bank of Travancore, Indore		
	Cash Credit Loan		15.41
			15.14
ix)	Axis Bank Ltd., Indore		
	Cash Credit Loan	65.19	36.33
	Export Packing Credit	79.82	111.01
	Packing Credit in Foreign Currency	0	
		145.01	147.34
x)	The HSBC Ltd., Indore		
	Cash Credit Loan		0
	TOTAL (A)	1,305.91	1,067.98
			1.30
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 and corporate guarantee of M/S Kalani Industries P.Ltd.			
(B) UNSECURED LOANS FROM OTHERS :			
1. Guaranteed by Shri Manish Kalani and corporate guarantee of M/S Kalani Industries P.Ltd., Saurabh Properties Pvt Ltd. & Fantancy Real Estate Pvt. Ltd			
		20.05	19.00
	TOTAL(A+B)	1,325.95	1,086.98
8 : TRADE PAYABLES			
	Trade Creditors		
		1,400.42	1,252.74
9 : OTHER CURRENT LIABILITIES			
i)	Creditors for Capital Goods	116.59	130.31
ii)	Sundry Liabilities	368.92	248.66
iii)	Tax Payable	15.65	9.79
iv)	Unpaid Dividend	0.03	0.03
v)	Repayment of Term Loan Payable in next one year	420.70	363.40
vi)	Repayment of Vehicle loans Payable in next one year	0.86	0.67
vii)	Accrued Interest	11.84	3.88
		934.60	756.74
10 : SHORT TERM PROVISION			
i)	For Income Tax	59.73	19.67
ii)	For Wealth Tax	0.04	0.04
iii)	For Proposed Dividend	21.73	17.21
iv)	For Dividend Tax	3.53	2.86
		115.03	39.78



(Amount in million)

11 :- FIXED ASSETS

Sr.No	Name of the Assets	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 01.04.2011	Addition	Deduction	As on 31.03.2012	As on 01.04.2011	Written Back/ Adjustment	Amortisation	For the Year	As on 31.03.2011	As on 31.03.2012	As on 31.03.2011
	Tangible Assets											
1	Land (Lease Hold)	24.75	0.00	0.00	24.75	1.97	0.00	0.26	0.00	2.23	22.52	22.78
2	Land (Free Hold)	111.08	49.19	0.00	160.28	0.00	0.00	0.00	0.00	0.00	160.28	111.08
3	Factory Building	571.23	333.16	0.00	904.39	64.75	0.00	0.00	22.77	87.51	816.87	506.48
4	Plant & Machinery	2,198.09	949.77	22.40	3,125.46	300.37	4.18	0.00	133.96	430.15	2,695.31	1,897.72
5	Electric Installation	118.77	83.60	0.00	202.37	19.40	0.00	0.00	7.54	26.94	175.43	99.37
6	Furniture & Fixtures	33.33	8.96	5.84	36.45	8.85	4.42	0.00	3.33	7.76	28.69	24.48
7	Office Equipments	27.22	34.23	0.00	61.46	5.30	0.00	0.00	1.66	6.96	54.50	21.92
8	Vehicles - Cars	14.46	3.47	2.30	15.63	5.48	1.47	0.00	1.41	5.42	10.22	8.98
9	Vehicles - Others	0.23	0.00	0.00	0.23	0.18	0.00	0.00	0.01	0.18	0.05	0.05
10	Computer	11.08	5.57	0.45	16.19	6.18	0.30	0.00	2.16	8.03	8.16	4.90
	Sub Total (A)	3,110.24	1,467.95	30.99	4,547.20	412.48	10.37	0.26	172.83	575.19	3,972.02	2,697.76
	Intangible Assets											
11	Patent	0.75	0.09	0.00	0.84	0.15	0.00	0.00	0.08	0.23	0.61	0.60
12	Goodwill (UK)	9.66	0.00	0.00	9.66	4.32	0.74	3.66	0.00	7.24	2.42	5.34
13	Development Assets	0.00	47.59	0.00	47.59	0.00	0.00	0.00	2.48	2.48	45.12	0.00
	Sub Total (B)	10.41	47.68	0.00	58.10	4.47	0.74	3.66	2.55	9.95	48.15	5.94
	TOTAL C= (A+B)	3,120.65	1,515.63	30.99	4,605.30	416.95	11.11	3.91	175.38	585.13	4,020.17	2,703.70
	Other											
14	Goodwill on Consolidation	9.26	0.00	0.00	9.26	0.93	0.00	0.83	0.00	1.76	7.50	8.34
	Sub Total (D)	9.26	0.00	0.00	9.26	0.93	0.00	0.83	0.00	1.76	7.50	8.34
	GRAND TOTAL E= (C+D)	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: Adjustement representing the fluctuation in currency rate



FLEXITUFF INTERNATIONAL LIMITED

S N	PARTICULARS	AS AT 31.03.2012		AS AT 31.03.2011	
		Amount in million		Amount in million	
12 : LONG TERM LOANS AND ADVANCES					
	Sundry Deposits		<u>21.84</u>		<u>20.10</u>
13 : OTHER NON CURRENT ASSETS					
	Miscellaneous Expenditure ; (To the extent not written off or adjusted)	0.83		0.92	
	Less : Written Off During the period	<u>0.09</u>	<u>0.73</u>	<u>0.09</u>	<u>0.83</u>
14 : INVENTORIES					
i)	Raw materials		158.70		214.84
ii)	a) Finished Goods	382.37		436.84	
	b) Semi-Finished Goods	414.79		408.40	
	c) Waste / Scrap	9.68		13.26	
	d) Moulding Articles	0.03		0.06	
	e) Stock at Indore Depot.	<u>8.94</u>	<u>815.81</u>	<u>8.46</u>	<u>859.02</u>
iii)	Store & Spares parts		93.27		142.86
iv)	Loose Tools / Paintings		<u>1.53</u>		<u>2.03</u>
			<u>1,069.32</u>		<u>1,218.75</u>
15 : TRADE RECEIVABLES (Unsecured, Considered Good)					
i)	Exceeding six months from the date they are due for payment		165.28		196.48
ii)	Others		<u>1,886.01</u>		<u>1,267.94</u>
			<u>2,051.30</u>		<u>1,464.42</u>
16 : CASH & CASH EQUIVALENTS					
j)	Cash In Hand		4.44		11.07
ii)	Balance with Scheduled Banks:				
a)	- In Current Accounts	62.32		24.76	
b)	- In Margin Money Deposit Accounts	<u>149.90</u>	<u>212.22</u>	<u>109.76</u>	<u>134.03</u>
c)	- Other FDRs		<u>8.50</u>		<u>0.50</u>
			<u>225.16</u>		<u>145.59</u>
17 : SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)					
i)	Advance against Supplies & Expenses		299.23		134.09
ii)	Advance to Staff & Workars		36.05		10.15
iii)	Advance recoverable in cash or in kind or value to be received		25.46		13.98
iv)	Sundry Deposits		7.95		0.99
v)	Other Advances / Receivables		232.17		99.17
vi)	Tax Deducted at Source		2.50		2.78
vii)	Balance With Excise Authorities		<u>22.83</u>		<u>25.12</u>
			<u>626.19</u>		<u>286.28</u>



FLEXITUFF INTERNATIONAL LIMITED

(Amount in million)

S N	PARTICULARS	Figure for the current reporting year ended on 31.03.2012	Figure for the previous reporting year ended on 31.03.2011
18: REVENUE FROM OPERATIONS			
SALE OF PRODUCTS :-			
i)	Export Sales	5,427.25	4,403.55
ii)	Domestic Sales & Receipts	2,070.89	1,442.79
	Less : Excise Duty	64.10	66.95
		<u>7,434.05</u>	<u>5,779.40</u>
19 : OTHER INCOME			
i)	Interest Received		0.00
ii)	Net gain / Loss of Investment	15.92	6.60
iii)	Other Non Operating Income :-	0	0.04
a)	Profit on sale of Agglomerates / Scrap		
b)	Other Receipts	1.65	1.14
		<u>20.27</u>	<u>6.75</u>
		<u>37.85</u>	<u>14.53</u>
20 : COST OF RAW MATERIAL CONSUMED			
i)	Granuels, Master Batch & fabric	3,944.11	3,352.49
ii)	Others Raw Material	390.94	17.08
		<u>4,335.05</u>	<u>3,369.57</u>
21 : PURCHASES OF STOCK IN TRADE			
i)	Purchase of Bag,FIBC/Moulding Articles & sheet	172.85	202.99
ii)	Purchase of Liner, Rope, Belt,Waste etc.	0.56	83.32
iii)	Purchase of Fabric	14.75	18.96
iv)	Purchase for Woven Sacks	26.92	4.22
		<u>215.08</u>	<u>309.49</u>
22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE			
i)	Finished Goods & Work In Progress		
a)	Finished		
b)	Semi Finished	382.37	436.84
c)	Waste/Scrap	414.79	408.40
d)	Moulding Articles	9.68	13.26
e)	Stock at Indore Depot.	0.03	0.06
ii)	Less : Opening Stock	8.94	0.46
a)	Finished		
b)	Semi Finished	438.84	223.35
c)	Waste/Scrap	406.17	225.59
d)	Moulding Articles / Stock obtained during trial run	13.26	20.07
e)	Stock at Indore Depot.	0.06	0
		<u>0.46</u>	<u>469.02</u>
		<u>-42.99</u>	<u>390.01</u>
23 : EMPLOYEE BENEFIT EXPENSES			
i)	Labour charges		
ii)	Factory Salary & Wages & Bonus	105.59	73.44
iii)	Provident Fund & ESI Contribution	533.94	511.71
iv)	Administrative Salaries & Allowances	40.90	38.20
v)	Staff & Workmen Welfare Expenses	116.37	96.99
		<u>26.80</u>	<u>23.60</u>
		<u>823.61</u>	<u>743.94</u>
24 : FINANCE COST			
A	Interest Expenses :-		
i)	Interest on Term Loan		
ii)	Interest on Working Capital	216.99	128.20
iii)	Interest to Others	142.34	82.09
iv)	Interest on Income Tax	14.54	6.08
B	Other Borrowing Cost :-	1.58	0
i)	Bills Discounting Charges		
ii)	Misc Bank Charges	56.54	35.59
C	Foreign Exchange Fluctuation	60.22	36.35
		<u>-0.58</u>	<u>-11.71</u>
		<u>491.62</u>	<u>277.41</u>



FLEXITUFF INTERNATIONAL LIMITED

(Amount in million)

SN	PARTICULARS	Figure for the current reporting year ended on 31.03.2012	Figure for the previous reporting year ended on 31.03.2011
25 : OTHER EXPENSES			
(A) : MANUFACTURING EXPENSES			
i)	Power & Fuel	239.25	247.48
ii)	Rent, Rates and Taxes	23.29	20.31
iii)	Jobwork expenses	51.18	68.41
iv)	Consumption of Stores & Spare parts	61.97	62.64
v)	Repairs & Maintenance	7.85	5.17
vi)	Freight Inward	20.05	52.56
vii)	Entry Tax	8.29	11.93
viii)	Laboratory and R & D Expenses	1.20	0.00
ix)	Factory Expenses	1.71	1.88
		<u>414.72</u>	<u>470.39</u>
(B) : ADMINISTRATIVE EXPENSES			
i)	Rent for Directors House	0.00	1.32
ii)	Courier & Telephone Expenses	16.01	13.67
iii)	Vehicle Running Expenses	5.26	6.87
iv)	Insurance Charges	9.30	7.75
v)	Rent for Office / Guest House	1.30	1.62
vi)	Legal and Professional Fees	72.81	31.41
vii)	Miscellaneous Expenses	39.87	23.01
viii)	Amortisation of Preoperative Exp	8.01	0.00
ix)	Provision for Wealth tax	0.04	0.04
		<u>144.58</u>	<u>85.78</u>
(C) : SELLING EXPENSES			
i)	Freight & Carriage Outward	226.61	278.86
ii)	Travelling Expenses:		
a)	Directors	0	0
b)	Staff	<u>28.73</u>	<u>21.07</u>
iii)	Advt.,Newspaper & Periodicals	0.51	0.14
iv)	Inspection Charges	4.12	2.82
v)	ECGC Premium	5.83	5.33
vi)	Tender Fees & Form Expenses	0.00	0.02
vii)	Rebate & Discount on Sale:		
a)	Domestic Sale	4.07	58.87
b)	Export sale	<u>0.07</u>	<u>0.74</u>
viii)	Business Promotion Expenses	8.28	7.62
ix)	Commission on Sales:		
a)	Domestic Sale	0.55	0.58
b)	Export sale	<u>4.58</u>	<u>2.00</u>
x)	Octroi Duty / Charity & Donation	0	0.01
xi)	Taxation on Domestic Sale:		
a)	Commercial Tax / CST	48.48	55.86
b)	Value Added Tax	<u>1.88</u>	<u>10.15</u>
xii)	Sales Tax 1998-99	0	8.00
xiii)	Clearing, Packing & Forwarding Charges	0	0.15
		<u>333.65</u>	<u>436.23</u>
(D) : PRIOR PERIOD EXPENSES			
a.	Mat Credit Entitlement for Ass.Yr. 2009-10	0	-5.79
b.	Earlier year adjustment	0	0.53
c.	Loss on Sale of Investments	0	-5.26
		<u>0</u>	<u>-5.26</u>
	Total of Other Expenses	<u>892.95</u>	<u>987.06</u>



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 Rs. 57.43 million (Previous Year Rs. 8.47 million)**
- ii) **Guarantee given by Bank on behalf of the Company for Rs.73.10 million (Previous year Rs. 30.38 million)**
- iii) **Outstanding liabilities on account of Letter of Credit for Rs. 176.37 million (Previous year Rs.61.91 million).**
- iv) **Foreign Bills Discounted with Bank Rs.329.51 million (Previous year Rs.77.95 million).**
- v) **Forward purchase contracts remaining outstanding Rs. NIL against export sales (Previous year Euro 4.68 lacs and GBP 11.94 Lacs). The mark to market profit/(loss) of Rs.0.06 million (Previous year profit Rs.11.21million) has been provided in the accounts.**
- vi) **Corporate Guarantee given by the Company is as under :**

GIVEN IN FAVOUR OF	GIVEN ON BEHALF OF	AMOUNT
Customs & Excise Department	Entertainment World Developers Limited, Mumbai	Rs.4.54 million (Previous Year 4.54 million)
Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd., Kashipur	Rs.0.02 million (Previous Year Nil)

- vii) **Outstanding of Taxes on account of disputes are as follows-**
 - a) **The company filed appeal before CIT(A)/ITAT and contested the disputed Income Tax demand for the A.Y. 2004-05, 2005-06 and 2006-07 for Rs.17.13 million, Rs.15.39 million & Rs. 6.03 million respectively and also contested disputed of TDS demand for the A.Y.2005-06 to 2007-08 Rs.0.71 million .**
 - b) **The company has contested disputed of M.P.C.T. demand for F.Y. 2005-06, 2007-08 & 2008-09 for Rs. 0.03 million , 1.96 million & 1.06 million respectively & Central Sales Tax demand for Rs. 1.96 million for the F.Y 2005-06 and Entry Tax demand for Rs. 1.67 million and 2.89 million for the F.Y 2007-08 and 2008-09 respectively as per legal opinion obtained.**
 - c) **The company has contested disputed of Commercial Tax for FY 2010-11 for Rs 1.55 million at Kashipur unit.**
 - d) **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 Rs 6.58 million and 1.45 million respectively**

- 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) 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.

(Amount in million)

Particulars	WITHIN INDIA		OUTSIDE INDIA		TOTAL	
	2012	2011	2012	2011	2012	2011
Segment Revenue						
Revenue from Operations	6,521.75	5,055.78	912.87	723.62	7,434.62	5,779.40
Less : Inter Segment Turnover	-	-	0.57	-	0.57	-
Net Turnover	6,521.75	5,055.78	912.29	723.62	7,434.05	5,779.40
Segment Results before Interest, Tax & Other Income	917.32	578.64	26.92	31.85	944.25	610.49
Less : Interest Expenses	485.13	268.67	6.49	8.74	491.62	277.41
Add : Other Income	24.10	13.38	13.75	1.14	37.85	14.53
Profit Before Tax	456.30	323.35	34.18	24.25	490.48	347.61
Less : Tax						
Current Tax	89.73	14.20	3.11	5.47	92.85	19.67
MAT Credit Entitlement	-89.73	-14.06	-	-	-89.73	-14.06
Deffered Tax	108.99	47.92	-	-	108.99	47.92
Net Tax	108.99	48.06	3.11	5.47	112.10	53.53
Profit After Tax before adjustment for Minority Interest	347.31	275.29	31.07	18.78	378.39	294.07
Less : Pre acquisition Profit/ Loss & Share of Minority	0.34	-16.44	-	-	0.34	-16.44
Less : Loss on sale of Subsidiary	-	0.84	-	-	-	0.84
Profit After Tax after adjustment for Minority Interest	346.97	290.89	31.07	18.78	378.04	309.57
Other Information						
Segment Assets	7,910.52	6,553.45	111.70	18.30	8,022.22	6,571.76
Segment Liabilities	4,742.90	4,582.39	597.57	349.52	5,340.47	4,931.91
Depreciation & Amortisation	173.33	142.13	6.80	6.72	180.13	148.85
Capital Expenditure	1,385.16	257.85	130.47	6.75	1,515.63	264.60



D) Earning per share (AS-20)

(a) Net Profit after Tax (As per Profit / Loss Account) Number of fully paid up equity share of Rs. 10/- each	Rs. 378.04 million (Previous year Rs. 309.67 million) 21731810 Equity Share (Previous year 17212110 Equity Shares)
(b) Weighted average number of equity Shares outstanding during the year	19317368 Equity Shares (Previous year 12650765 Equity shares)
(c) Effects of potential dilutive equity share	623292 Equity Shares (Previous year 4078354 Equity Shares)
(d) Weighted average number of equity in computing diluted earning per share	19940660 Equity Shares (Previous year 16729119 Equity Shares)
(e) Earning per share:	
- Basic [(a)/(b)]	Rs. 19.57 (Previous year Rs. 24.48)
- Diluted [(a)/(d)]	Rs. 18.96 (Previous year Rs. 18.51)

E) Related Party Disclosure (AS-18)

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

Particular	(Amount in million)		
	Associates	Relatives of Key Management Personnel	Total
Sale of Goods	10.62	0	10.62
Receiving of services	0.83	2.91	3.74

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. Manish Kalani

3. Relatives of Key Management Personnel Mr. Saurabh Kalani

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

As per our report of even date attached

For L.K.MAHESHWARI & CO.

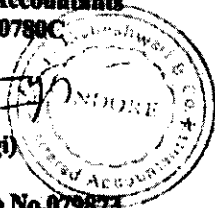
Chartered Accountants

FRN No. 000780C

(Abhay Singi)

Partner

Membership No. 079873



D.K. Sharma

Dinesh Kumar Sharma
GM- Corporate Affairs &
Company Secretary

For and on Behalf of Board

Manish Kalani
Manish Kalani
Managing Director

K.K. Vijayvergiya
K.K. Vijayvergiya
Whole Time Director

Place: Indore
Date: 30th May 2012