

Corporate Information

Board of Directors

Chairman

Mr. Anirudh Sonpal

Non Executive Directors

Mr. Kevan John Upperdine

Mr. Sharat Anand

Managing Director

Mr. Manish Kalani

Executive Director

Mr. Pawan Kumar Jain #

Mr. Ravindra Kumar Chourasiya #

Mr. Saurabh Kalani *

Mr. Kaushal Kishore Vijayvergiya *

Mr. Manoj Kumar Dwivedi *

Investor Nominee Director

Mr. Kaushal Ganeriwal***

GM – Corporate Affairs &

Company Secretary

Mr. D. K. Sharma

Statutory Auditor

M/s L.K. Maheshwari & Co.

Chartered Accountants

Indore (M.P.)

Bankers

UCO Bank

Punjab National Bank

Central Bank of India

State Bank of India

State Bank of Patiala

Axis Bank

MPFC Capital Markets

(A division of MPFC)

Board Committees

Audit Committee

Mr. Sharat Anand (Chairman)

Mr. Anirudh Sonpal

Mr. Pawan Kumar Jain #

Mr. Kaushal Kishore Vijayvergiya *

Shareholders & Investor's Grievances Committee

Mr. Sharat Anand (Chairman)

Mr. Anirudh Sonpal

Mr. Pawan Kumar Jain #

Mr. Kaushal Kishore Vijayvergiya *

Compensation Committee

Mr. Sharat Anand (Chairman)

Mr. Anirudh Sonpal

Mr. Kevan John Upperdine

Management Committee

Mr. Sharat Anand (Chairman)

Mr. Manish Kalani

Mr. Pawan Kumar Jain #

Mr. Ravindra Kumar Chourasiya #

Mr. Saurabh Kalani *

Mr. Kaushal Kishore Vijayvergiya *

Mr. Manoj Kumar Dwivedi *

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

Electronic Registrar & 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

* (W.e.f. 30th May, 2012) ** (w.e.f. 1st April, 2012) *** (w.e.f. 9th February 2012) # (upto 30th May, 2012)

Manufacturing Facilities

SEZ Unit

C 41-50, Special Economic Zone, Sector –III,

Industrial Area, Pithampur – 454775

Dist. Dhar - Madhya Pradesh

Kashipur Unit

Khasra No. 672- 728, Village- Mahuakhera, Aliganj Road,

Kashipur, Dist. Udham Singh Nagar, Uttarakhand

DTA Unit

94, Industrial Area, Sector – I,

Pithampur – 454775

Dist. Dhar - Madhya Pradesh

Marketing Network

Mumbai, Kolkata, Hyderabad,

Bengalore, Indore, Chennai, Noida

and Guwahati.

Notice

NOTICE is hereby given that the **19th Annual General Meeting** of the Members of **Flexituff International Limited** will be held on 25th day of September, 2012 at 11:00 a.m. at the Registered office of the Company at 304, Diamond Prestige, 41-A, A.J.C. Bose Road, 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 2012 and the Profit and Loss Account for the Financial Year ended on that date together with the Report 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. Kevan John Upperdine who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Sharat Anand who retires by rotation and being eligible offers himself for re-appointment.
5. 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 L.K. Maheshwari & Co., Chartered Accountants, Indore (Firm Registration No. 079873) be and are hereby re-appointed as the Statutory Auditors of the Company, 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 pocket expenses as shall be fixed by the Board of Directors of the Company in consultation with the Auditors."

Special Business

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

"RESOLVED THAT in modification of all earlier resolutions, if any, passed by the members, the Board of Directors be and are hereby authorised in accordance with Section 293(1)(d) of the Companies Act 1956 and the Articles of Association of the Company to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company notwithstanding that monies to be borrowed together with the monies already borrowed by the Company (apart from temporary

loans obtained from the Company's bankers in the ordinary course of the business) will exceed at any time, the aggregate of the paid up capital and its free reserves (that is to say, reserves not set apart for any specific purpose) provided, however, that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs. 1000.00 Crores (Rupees One Thousand Crores) and that the Board of Directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may think fit in the best interest of the organisation."

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

"RESOLVED THAT in modification of all earlier resolutions, if any, passed by the members, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations as the Board may direct, on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions / banks / any other investing agencies / trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions /banks / any other investing agencies or any other person(s) / bodies corporate by private placement or otherwise to secure rupee / foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 1000.00 Crores (Rupees One Thousand Crores) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the

Agreements / Arrangements entered into / to be entered into by the Company in respect of the said loans, debentures, bonds or other instruments;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalize with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any of the Companies Act 1956 approval of the members be and is hereby accorded for the appointment of Mr. Kartikeya Kalani as Manager (Product Development) of the company with effect from 1st November 2011 on such terms and conditions as mentioned below:-

- Gross Salary Rs. 49,500/- p.m., with an authority to board/ committee to increase the remuneration upto Rs. 2, 00,000/- p.m. based on increment policy of the company in force.
- He will be entitled to all other benefits and privileges, as per the policy of the Company in force.
- He shall abide by all rules and regulations as may be applicable.

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

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

"**RESOLVED THAT** pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, approval of members of the Company be and is hereby accorded for the following amendments to the Articles of Association:

- (a) Alteration of existing Clause 165 of the Articles of

Association of the Company and substituted clause to read as below:-

165. Deeds how executed

Every deed or other instrument, to which the seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by at least one director or Secretary or some other person appointed by the Board. The seal of the Company shall not be affixed to any instrument except in the presence of at least one Director or Secretary or such other person as the Board may appoint for this purpose and the said Director or Secretary or the person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

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

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

"**RESOLVED THAT** Mr. Manish Kalani, 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 a 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 do needful to give effect to this resolution."

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

"**RESOLVED THAT** Mr. Kaushal Kishore Vijayvergiya, 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 a director of the Company, liable to retire by rotation;

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

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

"RESOLVED THAT Mr. Manoj Kumar Dwivedi, 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 a director of the Company, liable to retire by rotation;

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

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

"RESOLVED THAT Mr. Saurabh Kalani, 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 a director of the Company, who shall be liable to retire by rotation;

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

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

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310 read with schedule XIII, and any other applicable provisions of the Companies Act, 1956 and in terms of provisions of the Articles of association of the Company Mr. Kaushal Kishore Vijayvergiya, Director be and is hereby appointed as a Whole Time Director of the Company for a period of 5 years with effect from 30th May, 2012 on terms & conditions as mentioned in explanatory statement to the resolution;

RESOLVED FURTHER THAT in case of absence or inadequacy of profit in any financial year, the remuneration shall be paid to Mr. Kaushal Kishore Vijayvergiya as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board") be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreement, documents or instruments and writings, with power to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any its powers herein conferred to any directors and / or officers of the Company, to give effect to this resolution."

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

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310 read with schedule XIII, and any other

applicable provisions of the Companies Act, 1956 and in terms of provisions of the Articles of association of the Company Mr. Manoj Kumar Dwivedi, Director be and is hereby appointed as a Whole Time Director of the Company for a period of 5 years with effect from 30th May, 2012 on terms & conditions as mentioned in explanatory statement to the resolution;

RESOLVED FURTHER THAT in case of absence or inadequacy of profit in any financial year, the remuneration shall be paid to Mr. Manoj Kumar Dwivedi as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board") be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreement, documents or instruments and writings, with power to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any its powers herein conferred to any directors and / or officers of the Company, to give effect to this resolution;

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorised to do needful in this regard."

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

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310, read with schedule XIII, and any other applicable provision of the Companies Act, 1956 and in terms of provisions of the Articles of association of the Company Mr. Saurabh Kalani, Director be and is hereby appointed as a Whole Time Director of the Company for a period of 5 years with effect from 30th May, 2012 on terms & conditions as mentioned in explanatory statement to the resolution;

RESOLVED FURTHER THAT in case of absence or inadequacy of profit in any financial year, the aforesaid remuneration shall be paid to Mr. Saurabh Kalani as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board") be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreement, documents or instruments and writings, with power to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any directors and / or officers of the Company, to give effect to this resolution."

17. To consider, and if thought fit, to pass the following

Resolution with or without modifications 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. Rs. 25,00,00,000 (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs. 10 (Rupee Ten) each be increased to Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) equity shares of Rs. 10 (Rupee Ten) 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 Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) equity shares of Rs. 10 (Rupee Ten) each."

By Order of the Board

D. K. Sharma

*GM- Corporate Affairs &
Company Secretary*

Place: Pithampur

Date: 30.05.2012

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. PROXIES IN ORDER TO BE EFFECTIVE 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 **17TH August, 2012 to 24th August, 2012** (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 24th August, 2012. In respect to 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 24th August, 2012. 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 17th August, 2012.
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.
10. The company is publishing both standalone and consolidated financial results for the financial year 2011-12. These financial results are also available on website of the Company.

By Order of the Board

D. K. Sharma

*GM- Corporate Affairs &
Company Secretary*

Place: Pithampur

Date: 30.05.2012

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

Item No. 6

Presently your board of directors are authorised to borrow upto Rs. 500 crores from banks and financial institutions for Term Loan & Working Capital Facilities. In view of increased operations, it is proposed to increase the borrowing powers of the Board of Directors from Rs. 500 crores to Rs. 1000 crores.

In terms of provisions of section 293(1)(d) of the Companies Act, 1956, prior approval of shareholders of the company is required, hence this resolution for your approval.

Your Directors recommend the shareholders to pass the resolution set out at item no. 6 of the Notice as Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the resolution except as a member of the Company.

Item No. 7

In view of item no. 6 as above, the Company may be required to mortgage/charge/hypothecate the assets and properties of the Company both present and future as may be required by the Lenders/Trustees etc.

Also the documents between the company and the Lenders/Trustees for the loan/debentures/bonds other instruments, may contain power to take over the management of the Company in certain events. It is therefore necessary to pass resolution under section 293(1)(a) of the Companies Act, 1956 before the creation of the mortgages/charges/ hypothecation.

Your Directors, therefore seek the approval of shareholders for giving authority to the Board to mortgage /charge/ hypothecate the assets and properties of the Company both present and future as may be required by the Lenders/ Trustees as per section 293(1)(a) of the Companies Act, 1956.

Your Directors therefore recommend the shareholders to pass the resolution set out at item no. 7 of the Notice as Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the resolution except as a member of the Company.

Item No. 8

Your board of directors of the Company at their board meeting held on 9th November, 2011 have approved appointment of Mr. Kartikeya Kalani as Manager (Product Development) subject to approval of shareholders of the Company by way of Special Resolution.

Mr. Kartikeya Kalani is nephew of Mr. Manish Kalani, Managing Director and son of Mr. Saurabh Kalani, Director. In terms of provisions of Section 314(1)(b) of the companies act, 1956 read with rules in this behalf, his appointment for a salary exceeding Rs. 50,000 p.m. require approval of members of the Company by way of Special Resolution, hence this resolution.

Mr. Kartikeya Kalani is a science graduate from Cornell University,

USA and has acquired relevant experience in Industry over period of time. It is proposed to appoint him on below terms and conditions:-

- Gross Salary Rs. 49,500/- p.m., with an authority to board/ committee to increase the remuneration upto Rs. 2, 00,000/- p.m. based on increment policy of the company in force.
- He will be entitled to all other benefits and privileges, as per the policy of the Company in force.
- He shall abide by all rules and regulations as may be applicable.

Your Directors therefore recommend the shareholders to pass the resolution set out at item no. 8 of the Notice as Special Resolution

None of the directors of the Company, except Mr. Manish Kalani, Managing Director and Mr. Saurabh Kalani, Director are interested in the resolution.

Item No. 9

Board of Director of your Company proposes alteration in clause 165 of Articles of Association so as to streamline execution of documents.

Alteration in Articles of Association requires approval of members by way of Special Resolution, accordingly respective resolution is moved for the approval of members.

Your Directors therefore recommend the shareholders to pass the resolution set out at item no. 9 of the Notice as Special Resolution

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

The directors are satisfied that it would be in the interest of the Company and its shareholders and accordingly recommends the resolution for your approval.

Item No. 10

Mr. Manish Kalani was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 4th July, 2011. He was appointed as managing director in the same meeting. 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 for appointment of Mr. Manish Kalani 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. Manish Kalani and Mr. Saurabh Kalani, Director are concerned or interested in this Resolution.

Item No. 11

Mr. Kaushal Kishore Vijayvergiya was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 30th May, 2012. He was appointed as Whole Time Director

in the same meeting. 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 for appointment of Mr. Kaushal Kishore Vijayvergiya as regular director, who shall be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Kaushal Kishore Vijayvergiya, is concerned or interested in this Resolution.

Item No. 12

Mr. Manoj Kumar Dwivedi was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 30th May, 2012 & was appointed as Whole Time Director in the same meeting. 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 for appointment of Mr. Manoj Kumar Dwivedi as director, liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Manoj Kumar Dwivedi, is concerned or interested in this Resolution.

Item No. 13

Mr. Saurabh Kalani was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 30th May, 2012 & was appointed as Whole Time Director in the same meeting. 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 for appointment of Mr. Saurabh Kalani as Director, liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Manish Kalani, managing director & Mr. Saurabh Kalani are concerned or interested in this Resolution.

Item No. 14

Mr. Kaushal Kishore Vijayvergiya was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 30th May, 2012. He was appointed as Whole Time Director in the same meeting. Previously he was working as Vice President Finance and Account of the Company.

Terms and conditions of appointment of Mr. Kaushal Kishore Vijayvergiya as Whole Time Director which are subject to approval of shareholders are as under:-

- Present gross Salary Rs. 1,00,000/- (Rupees One Lac Only) per month with an authority to board/ committee to increase the remuneration from time to time based on increment policy of

the company in force & subject to maximum ceiling of Rs. 3,00,000/- p.m.

- Reimbursements upto Rs. 3,00,000/- (Rupees Three Lacs) per annum on account of books, periodicals, entertainment expenses for official purpose etc. with such periodic increments as may be decided by Board/ Committee from time to time, subject to maximum ceiling of Rs. 6,00,000/- per annum.
- All expenses incurred for the purpose of Company's work to be reimbursed on actual basis which would include telephone expense, diesel expense for car, driver's salary and travelling expenses etc.
- He will be entitled to other benefits and privileges, as per the policy of the Company in force.
- He will work under the supervision and control of Board of Directors of the Company. He will perform such duties and functions as may be assigned by the Board from time to time.
- He shall adhere to the Company's code of conduct for Directors and Management personnel and will be subject to other rules & regulations of the Company as in force from time to time.
- Either party may terminate this agreement by giving to the other advance notice of two months, provided that the Company may waive the notice by giving in cash the remuneration for two months which the Whole Time Director would have received had he remained in office for the said two months.

Your Directors recommend for appointment of Mr. Kaushal Kishore Vijayvergiya as Whole Time Director, who shall be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Kaushal Kishore Vijayvergiya, is concerned or interested in this Resolution.

The above resolution concerning the terms of appointment of Whole Time Director be considered necessary disclosure in terms of Section 302 of the Companies Act, 1956.

Item No. 15

Mr. Manoj Kumar Dwivedi was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 30th May, 2012. He was appointed as Whole Time Director in the same meeting. Previously he was working as Vice President Human Resource.

Terms and conditions of appointment of Mr. Manoj Kumar Dwivedi as Whole Time Director which are subject to approval of shareholders are as under:-

- Present gross Salary Rs. 1,48,353/- (Rupees One Lac Forty Eight Thousand Three Hundred Fifty Three Only) per month with an authority to board/ committee to increase the remuneration from time to time based on increment policy of the company in force & subject to a maximum upto Rs. 3,00,000/- p.m.
- Reimbursements upto Rs. 3,00,000/- (Rupees Three Lacs) per annum on account of books, periodicals, entertainment expenses for official purpose etc. with such periodic increments as may be decided by Board/ Committee from time to time,

subject to maximum ceiling of Rs. 6,00,000/- per annum.

- All expenses incurred for the purpose of Company's work to be reimbursed on actual basis which would include telephone expense, diesel expense for car, driver's salary and travelling expenses etc.
- He will be entitled to other benefits and privileges, as per the policy of the Company in force.
- He will work under the supervision and control of Board of Directors of the Company. He will perform such duties and functions as may be assigned by the Board from time to time.
- He shall adhere to the Company's code of conduct for Directors and Management personnel and will be subject to other rules & regulations of the Company as in force from time to time.
- Either party may terminate this agreement by giving to the other advance notice of two months, provided that the Company may waive the notice by giving in cash the remuneration for two months which the Whole Time Director would have received had he remained in office for the said two months.

Your Directors recommend for appointment of Mr. Manoj Kumar Dwivedi as Whole Time Director, who shall be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Manoj Kumar Dwivedi, is concerned or interested in this Resolution.

The above resolution concerning the terms of appointment of Whole Time Director be considered necessary disclosure in terms of Section 302 of the Companies Act, 1956.

Item No. 16

Mr. Saurabh Kalani was appointed as an additional Director by the Board of Directors of the Company at their meeting held on 30th May, 2012 & was appointed as Whole Time Director in the same meeting. He shall be an Executive Director. Previously he was working as Chief Operating Officer of the Company for which permission from Central Government was received by your Company. He is the founder President of the Indian Flexible Intermediate Bulk Container Association (IFIBCA) and was the Vice President of All India Flat Tape Manufacturers' Association. Currently he is the member of the Committee of the Plastics Export Promotion Council (PLEXCONCIL). He has expert knowledge in the products manufactured by the Company and its utilization in global market.

Terms and conditions of appointment of Mr. Saurabh Kalani as Whole Time Directors which are subject to approval of shareholders are as under:-

- Present gross Salary Rs. 3,00,000/- (Rupees Three Lacs Only) per month with an authority to board/ committee to increase the remuneration from time to time based on increment policy of the company in force & subject to maximum ceiling of Rs. 6,00,000/- p.m.. Out of gross salary Rs. 1,00,000/- (Rupees One Lac) or as may be mutually agreed shall be transferred to Pension Scheme Plan.

- Housing: Suitable furnished accommodation, for him & his family shall be provided.
- Club fees: Club fees subject to a maximum of two clubs.
- Medical Reimbursement: Reimbursement of actual expenses incurred for Mr. Saurabh Kalani and his family.
- Leave Travel Concession: for Mr. Saurabh Kalani and his family anywhere in India subject to a maximum of three month's salary plus actual fare. He shall also be reimbursed for his any foreign travel on a holiday for himself or his family subject to a maximum of three month's salary in a year plus actual business class air fare.
- Medical/ Accident Insurance: Medical health insurance premium for self and his family including personal accident insurance, subject to maximum of Rs. 1,00,000 /- (Rupees One Lac).
- Gratuity: Not exceeding one half month salary for each completed year service subject to a ceiling of Rs. 10,00,000/- (Rupees Ten Lacs only) or as per amendment in statutory limit.
- All expenses incurred for the purpose of Company's work to be reimbursed on actual basis which would include telephone expense, expense for car, driver's salary and travelling expenses etc.
- He will be entitled to other benefits and privileges, as per the policy of the Company in force.
- He will work under the supervision and control of Board of Directors of the Company. He will perform such duties and functions as may be assigned by the Board from time to time.
- He shall adhere to the Company's code of conduct for Directors and Management personnel and will be subject to other rules & regulations of the Company as in force from time to time.
- Either party may terminate this agreement by giving to the other advance notice of two months, provided that the Company may waive the notice by giving in cash the remuneration for two months which the Whole Time Director would have received had he remained in office for the said two months.

Your Directors recommend for appointment of Mr. Saurabh Kalani as Whole Time Director, who shall be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Manish Kalani, Managing Director & Mr. Saurabh Kalani, are concerned or interested in this Resolution.

The above resolutions concerning the terms of appointment of Whole Time Directors be considered necessary disclosure in terms of Section 302 of the Companies Act, 1956.

Item No. 17

It is proposed to increase the authorised share capital of the Company. Accordingly the capital Clause "V" of the memorandum of the Association is required to be altered.

Alteration in the memorandum of association requires approval of members of the Company be way of Ordinary Resolution

Your Directors recommend passing of the resolutions as set out at item No. 17 of the notice.

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

Details of Directors seeking re-appointment at the Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

S.No.	Name of Director	Age	Qualification	Date of Appointment	Expertise	Other Directorships (Excluding Pvt. Companies) as on 31st March, 2012	Chairman / Member of the Committees as on 31st March, 2012
1	Mr. Manish Kalani	43 years	B.A., M.B.A.	4th July, 2011	He was first appointed as Director of our Company in the year 2002. Under his management our Company started its second manufacturing facility at the SEZ in Pithampur in the financial year 2003-04. He has to his credit, successful completion of various expansion plans undertaken by our Company.	Entertainment Worlds Developers Limited	Member of Management Committee
2	Mr. Kevan John Upperdine	53 years	B.E. (Mech.)	18th November, 2006	Has over 29 years of experience as a mechanical engineer and production manager	Flexiglobal (UK) Limited	Member of Compensation Committee
3	Mr. Sharat Anand	52 years	MBA	8th April, 2008	He has been a banker for over 20 years with assignments overseas and in India. He has experience in capital market activities including fund management, debt origination, syndication and trading, forex market and enterprise risk management across diverse global markets and products	Elpro International Ltd.	Chairman of Audit Committee, Shareholders Investor Grievance Committee, Compensation Committee & *IPO Committee
4	Mr. Saurabh Kalani	50 years	B.Com.	30th May, 2012	He has more than two decades of experience in the field of manufacturing, import, export, market development, strategic planning, production planning, financial planning etc. relating to Raffia Industry.	N. A.	N. A.
5	Mr. Kaushal Kishore Vijayvergiya	53 years	FCA, FCS, FCWA	30th May, 2012	He has more than 30 years experience in the corporate sector in the field of corporate finance, accounting etc	N. A.	N. A.
6	Mr. Manoj Kumar Dwivedi	47 years	MSW, LLB.	30th May, 2012	He has more than 20 years experience in the field of Human Resource Management.	N. A.	N. A.

* IPO Committee dissolved on 09.02.2012.

By Order of the Board

Place: Pithampur
Date: 30.05.2012

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

Directors Report

To,
The Members,

The Board of Directors present their Nineteenth Directors' Report on Company's business and operations together with the Audited Financial Statements for the year ended 31st March 2012.

Financial Results and Appropriation

Particulars	2011-12 (Rs in Million) Standalone	2010-11 (Rs in Million) Standalone
Sales (Including other income)	6227.83	4903.68
Profit before interest, depreciation & Tax	1071.64	693.73
Profit before Tax	448.46	317.63
Profit after Tax	343.60	274.36
Profit for the year	343.60	274.36
Add: Balance brought forward from Previous Year	–	–
Balance available for Appropriation	343.60	274.36
Appropriation		
Proposed dividend	21.73	17.21
Tax on dividend	3.52	2.86
Transfer to general reserve	–	–
Surplus carried to Balance Sheet	318.35	254.29

Financial Highlights and Operations

During the period under review, Sales and other income stood at Rs. 6227.83 Millions as against that of Rs. 4903.68 Millions in the previous year showing a growth of 27%. Company's Profit before interest, depreciation and tax increased to Rs. 1071.64 Millions from Rs. 693.73 Millions in the previous year showing a growth of 54.47%.

During the period under review, Consolidated Sales and other income of your Company stands at Rs.7471.90 Millions as against that of Rs. 5793.92 Millions in the previous year showing a growth of 28.96%. Company's Consolidated Profit

after tax (PAT) increased to Rs. 378.39 Millions from Rs. 294.07 Millions in the previous year showing a growth of 28.67%.

Export Sales

During the period export sales increased by Rs. 85.38 Million i.e.23.47 % and stood at Rs. 449.14 Millions as against Rs. 363.76 Million in the previous year.

Dividend

Your Board of Directors are pleased to recommend a dividend of 10% on the equity share capital of the Company i.e. Rs. 1.00 per equity share for the year ended 31st March 2012. The

dividend, if approved, will be paid to the members within the time period stipulated by the Companies Act, 1956. .

Initial Public Offer

During the year your company got listing of its equity shares on both BSE and NSE.

- Initial Public Offer of your Company was opened from 29th September 2011 to 4th October 2011 for QIB and 5th October 2011 for others.
- There was a fresh issue of 4500000 equity shares and Offer for sale of 2250000 equity shares from Clearwater Capital Partners (Cyprus) Ltd. of Rs. 10/- each at Rs. 155/- per share.
- Credit Analysis & Research Limited assigned Credit Rating 3 out of 5 to Company's IPO.
- Equity shares of your Company listed from 19th October 2011 at BSE and NSE.

Credit Rating For Banking Facilities

M/s Credit Analysis & Research Limited (CARE) improved credit rating for Long Term and Facility as well as Short Term Facility for the Financial Year 2011-12 from CARE BBB (Triple B) and CARE PR 3 to CARE BBB + (Triple B+) and CARE A3 + respectively, which indicates moderate degree of safety regarding timely servicing of financial obligations.

Dripper Project

Your Company has entered in new era of manufacturing of Drippers at Kashipur unit under Drip Irrigation System. The initial capacity of dripper project envisaged in Initial Public Offer document was 811 MT, however in view of initial encouraging results and better prospects ahead, it is planned to increase capacity further.

Utilisation of IPO Fund

During the year your Company raised fund through Initial Public Offer for objects as mentioned in Prospectus and has utilised major amount towards the object. Through IPO funds, there will be expansion of FIBC manufacturing capacity by 1000 MT at SEZ, 2000 MT at DTA Unit Pithampur and 811 MT

at Kashipur Unit.

Awards & Certifications

Your Company has been awarded with both the prestigious Food Grade Certificate i.e. American Institute of Baking Certificate (USFDA) and British Retail Consortium Certificate (BRC). During the year under review both the certifications have been renewed.

Besides certification from American Institute of Baking (USFDA), USA & British Retail Consortium (BRC), UK, 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

1. M/s Satguru Polyfab Private Limited, Gandhidham
2. M/s Nanofil Technologies Private Limited, Kolkata
3. M/s Flexiglobal Holdings Limited, Cyprus

Step-down Subsidiaries

1. M/s Flexiglobal (UK) Limited, UK
2. 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 30th May 2012 has given their consent, for not attaching the Annual Accounts of the Subsidiary Companies with that of the Holding Company.

Accordingly, Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report of the Subsidiary Companies and 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 have been furnished along with the statement pursuant to section 212 of the Companies Act, 1956 forming part of this Annual Report.

Changes in Share Capital

During the year the Company allotted 45,00,000 Equity Shares of the Face Value of Rs. 10/- each in IPO and 19700 equity shares of Rs. 10/- each under ESOP Scheme 2011 in Board Meeting held on 9th February, 2012, consequently the number of issued, subscribed and paid up capital increased from 17212110 Equity Shares to 21731810 Equity Shares of Rs. 10/- each aggregating Rs. 217,318,100/-.

Reconciliation of options is as under:

Particulars	Number of Shares
In-principle approval taken from BSE and NSE	1075000
Less: No. of Shares allotted & listed	19700
Less: No. of options/ shares lapsed (due to Resignation etc.) as on 31st March, 2012*	70750*
Balance outstanding	984550

* * With reference to clause No. 3.3 of ESOP Scheme 2011, the Employee Stock Options that expires/ lapse/ get cancelled shall become available for future grants, subject to compliance with the applicable laws.

Directors

Mr. Kaushal Ganeriwal was appointed as Director in place of Mr. Aswini Sahoo, due to change in nomination by Clearwater Capital Partners, (Cyprus) Ltd. w.e.f. 09.02.2012 pursuant to Section 260 of the Companies Act, 1956.

Mr. Saurabh Kalani, Mr. Kaushal Kishore Vijayvergiya and Mr. Manoj Kumar Dwivedi are appointed as additional director by the Board of Directors of the Company at their meeting held on 30th May, 2012. They were appointed as Whole Time Directors in the same meeting. They are liable to retire by rotation.

Mr. Pawan Kumar Jain and Mr. Ravindra Kumar Chourasiya also tendered their resignation which were accepted by Board of Directors w.e.f. 30.05.2012.

There are two directors who are liable to retire by rotation for the financial year under review namely, Mr. Anirudh Sonpal and Mr. Kevan John Upperdine. Mr. Anirudh Sonpal and Mr. Kevan John Upperdine are being eligible and 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 hold office upto the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a certificate from M/s L.K. Maheshwari & 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 reappointment. The board recommends the re-appointment of M/s L.K. Maheshwari & Co, Chartered Accountants, Indore, 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.

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 prohibition of Insider Trading to all Board members and Senior Management of the Company. Members of the Board and Senior Management have affirmed compliance with the said code of conduct for the Financial Year 2011-12.

Industrial Relations

The Board is pleased to inform you that Industrial relations have been continued cordial at all levels throughout the year. The Board of Directors place on record their deep appreciation for the sincere, devotion 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 employees 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 had prepared the annual accounts on a going concern basis.

Corporate Governance

The Board is glad to inform you that your Company is professionally managed company and complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of Stock Exchanges with which the Company listed on 19th day of October, 2011.

As per requirement of Clause 49 of Listing Agreement a brief

report on Corporate Governance along with Certificate from Practicing Company Secretary is annexed herewith for the information of the members as an **Annexure - B** in this Annual Report.

Dematerialisation

The equity shares of your Company are available for dematerialization with both NSDL and CDSL and the ISIN is INE060J01017. As on 31st March 2012, 93.80% equity shares are in Demat form and remaining 6.20 % 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 cooperation received from Company's bankers, investors, financial institutions, shareholders, 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 operation and management of the Company.

For and on Behalf of The Board

Managing Director *Whole Time Director*

Place: Pithampur

Date: 30th May, 2012

Form A

Form for disclosure of particulars with respect to conservation of energy

Power and Fuel Consumption

Electricity	2007-08	2008-09	2009-10	2010-11	2011-12
Unit Purchased	14368637	15717773	15488706	16565130	15630805
Total Amount (Rs.)	4,27,25,464	4,69,30,279	4,76,80,933	4,97,36,153	7,16,37,210
Rate per Unit (Rs.)	2.97	2.98	3.26	3.99	4.58
Sp. Power consumption/kg	1.18	1.18	1.26	1.21	1.26
Exp. / kg. of Input (Rs.)	3.65	3.63	3.96	4.05	5.89

- Plant and machinery utilized effectively to improve the productivity and to reduce the power consumption like -
 - In place of heat cutting of fabrics on looms, we are now cutting fabrics by ultrasonic cutters which consumes very low power.
 - We use more and more AC variable frequency drives and induction motors in place of DC motors and DC drives.
 - The plants are run on 24x7 bases to save power wasted in pre-heating. The frictional heats generated are running at higher RPMs, also saves energy loss in heating.
- In the expansion program, every attempt is being made to procure new highly efficient machines - new efficient plant and machines are replacing inefficient old machines.

Form B

Form for disclosure of particulars with respect to absorption

Research & Development

The major areas where Research & Development were carried out are as under:

1. Longitudinally Folded Tapes and Fibrillated Tapes were developed to make 190 to 290 GSM Fabrics for Export of Fabrics in roll form.
2. Higher tenacity tapes were produced to bring down the weight of tape for the same strength.
3. Special D 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
4. In-house production of carbon black compound, Juki Threads in place of imported material.
5. To make bags heat resistant up to 150°C, PP Liners were developed and produced.
6. Co- Extruded Conductive Liners with Low Break down Voltage, Type L2 Liners, Baffle Liners, Zip Lock bags, Aluminum Foil liners were developed and produced for export.
7. Radiation shield liners and FIBC bags are being developed

Future plan of action:

Company has embarked 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.

- a) To cater to high value addition Pharmaceutical packaging market, pharmaceutical grade bags production facility is being developed.
- b) To cater to the North-American market, Bio-degradable FIBC and liners suitable for composting are being developed.

Technology Absorption, Adaptation and Innovation

1) Efforts in brief made towards technology absorption, adaptation and innovation:

This year the Company continues to import technically upgraded machines for its product and performance.

2) Benefits derived as a result of above efforts:

New technology adopted has opened new markets for our products and now we are able to produce and market our products in various new markets. We are able to produce high value FIBC for pharmaceuticals sector and made special fabrics & liner for the export market.

Place: Pithampur

For and on Behalf of The Board

Date: 30th May, 2012 *Managing 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 secret formula of success and long life 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.

It is very encouraging to share that your Company is following corporate governance practices, since it was an unlisted entity. Equity shares of your Company got listed on BSE Limited

(Formerly known as Bombay Stock Exchange Limited) and National Stock Exchange of India Limited, on 19th October, 2011 and hence corporate governance under listing agreement has now become mandatory on it.

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:

Currently, your Board comprises of seven Directors, of which the Chairman is a Non-Executive and Independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, your Company has one executive director and six non-executive directors of whom three are independent directors.

During the financial year 2011-12, meetings of the board of Directors were convened 13 (Thirteen) times. The meetings were held on 14.04.2011, 15.06.2011, 18.06.2011, 04.07.2011, 15.09.2011, 20.09.2011, 26.09.2011, 07.10.2011, 10.10.2011, 13.10.2011, 15.10.2011, 09.11.2011 and 09.02.2012. In the financial year Board consist of the following:

Name of Directors	DIN	Category	No. of Board Meeting Attended, 2011-12	Attendance at Last AGM	Directorship in other companies (excluding private limited companies)*		Committee Position of other companies*		Share holdings*
					Chairman	Member	Chairman	Member	
Mr. Anirudh Sonpal	03367049	Non Executive, Independent, Chairman	6	Yes	0	1	0	0	-
Mr. Manish Kalani	00169041	Managing Director	12	Yes	0	1	0	0	11700
Mr. Sharat Anand	00083237	Non-Executive, Independent	6	Yes	0	1	0	0	-
Mr. Kevan John Upperdine	01214264	Non-Executive, Independent	2	No	0	1	0	0	-
Mr. Pawan Kumar Jain	00012279	Non-Executive	13	Yes	0	1	0	0	-
Mr. Ravindra Kumar Chourasiya	00061084	Non-Executive	13	Yes	0	0	0	0	-
Mr. Aswini Sahoo (Up to February 09, 2012)	01931805	Investor Nominee Director, Non-Executive	7	No	0	2	0	0	-
Mr. Kaushal Ganerwal (W.e.f. February 09, 2012)	03497193	Investor Nominee Director, Non-Executive	1	No	0	0	0	0	-

*As on 31st March, 2012

(B) Non Executive directors' Compensation and Disclosures

During the year 2011-12 under review, sitting fees paid to Non-executive Directors amounted to Rs. 25000/-.

As approved by the Board of Directors in accordance with the Articles of Association of the Company, the Non-executive Directors are paid sitting fees of Rs. 1000/- for every meeting attended by them. No commission was paid or payable to the Non-executive Directors during the year 2011-12.

Details of fees paid to Non-executive Directors are as under:

S.No.	Name of Director	Amount
1	Mr. Anirudh Sonpal	6000/-
2	Mr. Sharat Anand	6000/-
3	Mr. Pawan Kumar Jain	13000/-

3. Board Committees:**3. (i) Audit Committee**

Composition: The Audit Committee was constituted on March 18, 2006 and was reconstituted on December 9, 2010. The committee functions as prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement. The members of the committee at present are: Mr. Sharat Anand, Chairman, Mr. Anirudh Sonpal and Mr. Pawan Kumar Jain. All the members of the Audit Committee possess financial/ accounting expertise/exposure. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement.

Audit Committee met two times during the financial year 2011-12 under review, i.e. 09.11.2011 and 09.02.2012. The constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Committee Meetings Attended
Mr. Sharat Anand	Chairman	2
Mr. Anirudh Sonpal	Member	2
Mr. Pawan Kumar Jain	Member	2

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

Committee

3. (ii) Management Committee

Management committee was constituted on December 20, 2007 and was reconstituted on July 4, 2011. The members of the committee at present are Mr. Manish Kalani, Chairman, Mr. Sharat Anand, Mr. Pawan Kumar Jain and Mr. Ravindra Chourasiya. Management committee has been delegated with an authority in relation to procurement and management of fund 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 will also have the powers and authority in relation to day to day management affairs such as:

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

The Committee duly met 16 (Sixteen) times in this financial year ended on March 31, 2012. The composition and attendance of committee is as under:

Name of Committee Member	Designation	No. of Meeting Attended
Mr. Sharat Anand	Chairman	0
Mr. Manish Kalani	Member	9
Mr. Pawan Kumar Jain	Member	16
Mr. Ravindra Chourasiya	Member	16

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

3. (iii) Shareholders' & Investors' Grievance Committee

The committee was constituted on March 18, 2006 and has been reconstituted as on December 9, 2010. The committee, under the chairmanship of non-executive independent director is formed to specifically look into the redressal of

shareholder and investor complaints. The members of the committee at present are Mr. Sharat Anand Chairman, Mr. Anirudh Sonpal and Mr. Pawan Kumar Jain. There were not any investor grievances which were pending for more than 21 days during the year. Committee duly met 3 (Three) times in this financial year on 9th November 2011, 16th November 2011 and 9th February 2012.

Name of Committee Member	Designation	No. of Meeting Attended
Mr. Sharat Anand	Chairman	3
Mr. Anirudh Sonpal	Member	3
Mr. Pawan Kumar Jain	Member	3

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

3. (iv) IPO Committee

IPO Committee was constituted on July 14, 2010 and was reconstituted on December 9, 2010. This committee was delegated powers to take care of day to day matters related to pre and post IPO matters and is currently comprised with 4 members namely Mr. Sharat Anand, Chairman, Mr. Anirudh Sonpal, Mr. Aswini Sahoo and Mr. Pawan Kumar Jain to assist the Board in handling matters. Committee duly met 1 (One) time in this financial year on 23rd May, 2011.

Name of Committee Member	Designation	No. of Meeting Attended
Mr. Sharat Anand	Chairman	1
Mr. Anirudh Sonpal	Member	1
Mr. Pawan Kumar Jain	Member	1
Mr. Aswini Sahoo	Member	0

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

The IPO Committee stands dissolved on 9th February 2012.

3. (V) Selection Committee

The committee was constituted on March 12, 2010 and was reconstituted on December 9, 2010. The members of the committee at present are Mr. Sharat Anand, Chairman, Mr. Anirudh Sonpal and Mr. Kevan John Upperdine. Selection committee was constituted to analysis and decides role &

responsibilities and to recommends the appointment of key managerial personnel in the Company on such remuneration and terms & conditions as committee deems fit into best interest of the company; Selection committee was also granted with all general powers including conducting interview of the applicant and hereby instructed to submit the report including areas of inspection along with recommendation and draft appointment letter to the board."

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

The Selection Committee stands dissolved on 9th February, 2012.

3. (VI) Compensation Committee

The remuneration committee was constituted on March 18, 2006 and was reconstituted and renamed as compensation committee on December 9, 2010. The committee comprises of 3 Independent Directors namely Mr. Sharat Anand, Chairman, Mr. Anirudh Sonpal and Mr. Kevan John Upperdine, to analyse and decides role & responsibilities and to recommend the appointment of key managerial personnel in the Company. During the year under review, Committee duly met 1 (One) time in this financial year on 9th February 2012.

Name of Committee Member	Designation	No. of Meeting Attended
Mr. Sharat Anand	Chairman	1
Mr. Anirudh Sonpal	Member	1
Mr. Kevan John Upperdine	Member	0

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

4. 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

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
16th	Saturday, September 30, 2009 at 11.00A.M.	2nd floor of Main Building, 19 R.N. Mukherjee Road, Kolkata-700 001 (W.B.)	<ul style="list-style-type: none"> ■ Alteration of Capital Clause of Memorandum of Association for increase in authorise Share Capital ■ Alteration of Clause V of Articles of Association for increase in authorise Share Capital
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

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

S.No.	Day, Date & Time	Venue	Special Resolution Passed
1	Saturday, 20th August, 2011, 11.30 A.M.	C- 41-50, SEZ, Sector – 3, Pithampur, Dist. Dhar (M.P.)	1. Alteration of the Article of Association in relation to deletion of affirmative voting rights and amendment in existing Article 146.

5. 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) Proceeds from the issue of Equity shares under Initial Public Offer and ESOP Scheme 2011

During the year the Company has issued 45, 00,000 equity shares at a price of Rs. 155/- per equity share (inclusive premium of Rs. 145/- per equity shares) to the public and Company also issued 19700 equity shares under ESOP Scheme 2011 at a price of Rs. 95/- per equity shares (inclusive premium of Rs. 85/- per equity shares) to the Employees of the Company.

d) 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 being included in the Notice convening the Annual General Meeting.

e) Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49 (IV)(F) of Listing Agreement.

f) 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 Market during the last three years.

6. Code of Conduct

The Company has adopted the code of conduct and ethics for Directors and Senior Management. 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 Managing Director appointed in terms of Companies Act, 1956 (i.e. the CEO within the meaning of Clause 49-V of the Listing Agreement) is annexed to this report.

7. CEO/CFO Certification

Mr. Manish Kalani, Managing Director and Mr. Kaushal Kishore

Vijayvergiya, Whole Time Director have given CEO/CFO certificate as per format prescribed under Clause 49 (V) of Listing Agreement to the Board at its meeting held on 30.05.2012.

8. Non-Mandatory Requirement 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:

1. The Board

The Chairman of the Company is non- executive and Independent Director.

All the Directors including Independent Director 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.

2. Remuneration Committee (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"

3. 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.

4. Audit Qualification

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

5. Training of Board Members

There is no formal training programme for the Board Members. However, the Board Members are periodically updated on the business model, company profile, entry into new products and markets, global business environment, business strategy and risk involved.

6. 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 Non-Executive Directors collectively to reinforce the principle of collective responsibility.

7. Whistle Blower Policy

The Company does not have Whistle Blower Policy for the time being.

9. 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 also published in 'English' and 'Bengali' news papers in terms of Listing Agreement within the stipulated period and in the format as prescribed by the stock Exchange and the Company posts its financial results for last two quarters after listing on its website i.e. www.flexituff.com and at websites of stock exchanges where the shares of your Company's are listed.

10. General Shareholders Information

a. Annual General Meeting

Date: 25th September, 2012
 Day: Tuesday
 Time: 11:00 AM
 Venue: 304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata-700 017 (W.B.)

b. Financial Calendar for the year 2012-13

- Results for quarter ending 30.06.2012	: With in 45 Days from end of quarter
- Results for quarter ending 30.09.2012	: With in 45 Days from end of quarter
- Results for quarter ending 30.12.2012	: With in 45 Days from end of quarter
- Results for quarter ending 31.03.2013	: With in 60 Days from end of quarter

c. Book Closure Date

17th August, 2012 to 24th August, 2012 (both days inclusive)

d. Dividend Payment Date

Dividend for the financial year 2011-12, if declared will be paid/ credited to the account of the shareholders on or after 25th September, 2012.

e. Listing of Equity Shares on Stock Exchanges

The equity shares are listed on the following Stock Exchanges:

- 1) **BSE Limited** (Formerly known as Bombay Stock Exchange Limited,) Mumbai
- 2) **National Stock Exchange of India Limited**, Mumbai

Note: Annual Listing Fees for the Year 2012-13 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**

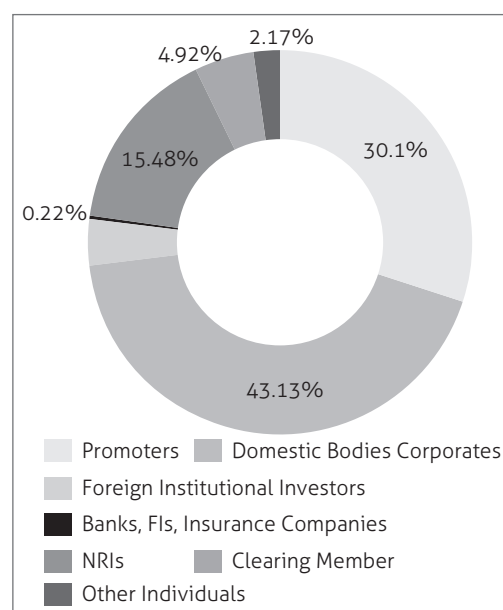
g. Demat ISIN Number in NSDL & CDSL: INE060J01017

h. Stock Market Price data for the Year 2011-12

Year and Month	BSE		NSE	
	High (Rs. per share)	Low (Rs. per share)	High (Rs. per share)	Low (Rs. per share)
Oct, 2011	240.40	142.00	240.45	142.00
Nov 2011	295.60	208.00	297.00	207.30
Dec 2011	301.95	233.15	302.80	231.50
Jan 2012	269.00	222.00	275.00	239.90
Feb 2012	283.85	229.05	284.95	230.10
March 2012	298.00	227.15	296.70	191.90

Shareholding Pattern As on 31st March, 2012

Category	No. of Shares	%age
Indian Promoters	6542220	30.10
Foreign Promoters	NIL	NIL
Mutual Funds & UTI	NIL	NIL
Banks, Fls, Insurance Companies	48610	0.22
Central/State Govt. Institutions/Non-Govt. Institutions	NIL	NIL
Foreign Institutional Investors	856600	3.94
Domestic Bodies Corporates	9373835	43.13
NRIs/ OCB	3363037	15.48
Clearing Members	1070166	4.92
Other Individual	477342	2.17
Grand Total	21731810	100



Distribution Schedule as on 31st March, 2012

Nominal Value of Each Equity Share is Rs. 10/-

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Shares	Amount (in Rs.)
0001-500	422	78.00	22976	0.11	229760.00
501-1000	8	1.48	4801	0.02	48010.00
1001-2000	27	5.00	35661	0.16	356610.00
2001-3000	2	0.36	4932	0.02	49320.00
3001-4000	2	0.37	7958	0.04	79580.00
4001-5000	2	0.37	9051	0.04	90510.00
5001-10000	12	2.22	102658	0.47	1026580.00
10001-*****	66	12.20	21543773	99.14	215437730.00
Total	541	100.00	21731810	100	217318100

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 93.80% and in physical 6.20%. . The Annual Custody Fee for the financial year 2012-13 has been paid to NSDL and CDSL, the Depository.

Share Transfer System

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

Status of Unpaid Dividend from Financial Year 2005-06

Dividend for the year	Total Amount of Dividend (Rs. In lacs)	Amount of Unpaid Dividend as on 31.03.2012 (Rs. In lacs)	% of Dividend Unpaid	Due date of transfer to IEPF
2005-06	29.84	0.34	1.12	06-11-2013

Remind to investors

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

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

The Company has not issued GDRs/ADRs/Warrants or any other instruments which is convertible into Equity Shares of the Company during 2011-12.

Address for Correspondence

Shareholder's correspondence should be addressed to the Company's RTA at the Address mention 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
Website: www.linkintime.co.in

For any further assistance, the shareholder's may Contact:
Tel: 033-40053995, 32212690, Fax: 033- 2231 2510

Corporate Office

Company Secretary
Flexituff International Limited
C-41-50, SEZ, Sector -3, Pithampur- 454775, Distt. Dhar (M.P.)
Tel. +91 7292 401681-83, 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, 40053995, Fax : 033 - 22313510
Email:investors@flexituff.com
Website: www.flexituff.com

Shareholders holdings 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.

Place: Pithampur
Date: 30th May, 2012

For and on Behalf of The Board

Manish Kalani
Managing Director

Kaushal Kishore Vijayvergiya
Whole Time Director

Managing Director Certification on Corporates Governance

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 2012.

Place: Pithampur
Date: 30.05.2012

Manish Kalani
Managing Director

Certification from CEO/CFO

We, Manish Kalani, Managing Director and Mr. Kaushal Kishore Vijayvergiya, Whole Time Director, 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 31.03.2012 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

For and on Behalf of The Board

Place: Pithampur
Date: 30th May, 2012

Manish Kalani
Managing Director

Kaushal Kishore Vijayvergiya
Whole Time Director

Certification from Practicing Company Secretary

To,
The Members
Flexituff International Limited
Kolkata

We have examined the Compliance of conditions of Corporate Governance by Flexituff International Limited for the year ended on March 31, 2012, 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: 28.05.2012

Sd/-
Ritesh Gupta
Practicing Company Secretaries

AUDITORS' REPORT

To
The Members of
Flexituff International Ltd.

We have audited the attached Balance Sheet of M/s Flexituff International Limited as at March 31, 2012 and also the Profit and Loss account for the year ended on March 31, 2012 annexed thereto. These 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.

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 Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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;
- iii. The Balance Sheet and Profit and Loss account statement

dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the Balance Sheet, and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2012.
 - b) in the case of the profit and loss account, of the profit for the year ended March 31, 2012.

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

Abhay Singi
Partner

Place: Indore
Dated : 30th May 2012

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.
- 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) There was no disposal of fixed assets during the year and therefore does not affect the going concern assumption.
- ii) a) 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 Companies Act, 1956
- 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 Companies Act 1956.
- 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 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 Companies Act, 1956, 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, ESI, Income-Tax, Sales-Tax, Wealth-Tax, Custom Duty, Service Tax, Excise Duty, VAT, Cess and other 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 (Rs. In million)	Amount paid (Rs. 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	3.00	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

Name of the statute	Nature of dues	Demand (Rs. In million)	Amount paid (Rs. In million)	Period to which the Amount relates	Forum where dispute is pending.
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. Commercial Tax Act, 1994	Difference in Sales tax exemption Capping calculation	.02	.004	F.Y. 2005-06	The Appellate Board, M.P.Tax Tribunal Bhopal
Central Sales Tax Act, 1956	Difference in Sales tax exemption Capping calculation	1.96	1.54	F.Y. 2005-06	The Appellate Board, M.P. Tax Tribunal Bhopal
M.P. Entry Tax Act, 1976	Entry Tax levied on Job Work for SEZ unit	1.68	1.61	F.Y. 2007-08	The Appellate Board, M.P. 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	The Appellate Board, M.P. Tax Tribunal Bhopal
Uttarakhand Commercial Tax	Assessment FY 2010-11 u/s 10(A)/ 10(B) and 10(D)	1.56	NIL	F.Y. 2010-11	The Joint Commissioner (Appeal)-I

- 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 EWDPL for Rs.4.55 million to State Bank of India, and on behalf of M/s Satguru Polyfab Private Limited, for Rs.60.00 million to State Bank of Patiala, and on behalf of Nanofil Technologies Pvt.Ltd. for Rs. 0.2 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) During the year the Company has issued 4500000 Equity share of Rs. 10/- each at a premium of Rs. 145/- each through IPO and an Offer for sale of 2250000 equity share by Clearwater Capital Partners (Cyprus) Ltd. & 19700 Equity Shares of Rs. 10/- each at a premium of Rs. 85/- per Share under ESOP Scheme. The end use of money raised by IPO has been disclosed in Financial Statements and the same has been verified.
- 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

Place: Indore
Dated : 30th May 2012

Membership No 079873

BALANCE SHEET As at 31st March, 2012

(Rs. in Million)

Particulars	Note No.	As at		As at	
		31 st March 2012		31 st March 2011	
I. EQUITY AND LIABILITIES					
1. Shareholder's Fund					
a) Share Capital	2	217.32		172.12	
b) Reserve & Surplus	3	2,442.30	2,659.62	1,465.62	1,637.74
2. Non Current Liabilities					
a) Long Term Borrowings	4	1,086.50		1,490.37	
b) Deferred Tax Liability (Net)		282.49		177.63	
c) Other Long term liabilities	5	2.75		0.69	
d) Long term provisions	6	15.16	1,386.90	15.34	1,684.03
3. Current Liabilities					
a) Short Term Borrowing	7	1,287.33		1,052.25	
b) Trade Payable	8	864.48		891.38	
c) Other current liabilities	9	710.90		711.29	
d) Short term Provisions	10	115.03	2,977.74	34.17	2,689.09
Total			7,024.27		6,010.86
II. ASSETS					
1. Non Current Assets					
a) Fixed Assets	11				
I) Tangible Assets			3,672.11		2,515.40
II) Intangible Assets			0.61		0.60
III) Capital Work in Progress			–		714.25
b) Non Current Investments	12		104.72		104.72
c) Long term loans and advances	13		18.10		16.36
2. Current Assets					
a) Inventories	14	808.54		961.76	
b) Trade Receivable	15	1,591.35		1,194.78	
c) Cash & Cash Equivalents	16	182.36		122.27	
d) Short term loans & Advances	17	646.48		371.22	
e) Other Current Assets		0.00	3,228.72	9.49	2,659.52
Total			7,024.27		6,010.86
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

Abhay Singi
Partner
Membership No. 079873

Place : Indore
Date : 30th May 2012

For and on Behalf of Board

Manish Kalani
Managing Director

K. K. Vijayvergiya
Whole Time Director

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2012

(Rs. in Million)

Particulars	Note No.	Year ended 31 st March 2012		Year ended 31 st March 2011	
I. Revenue from Operation	18		6,210.44		4,890.80
II. Other Income	19		17.39		12.88
III. Total Revenue (I +II)			6,227.83		4,903.68
IV. EXPENSES					
Cost of Material Consumed	20		3,318.23		2,817.75
Purchases of Stock in Trade	21		215.01		111.71
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22		55.94		-244.37
Employee Benefit Expense	23		759.58		691.98
Financial Costs	24		463.29		244.86
Depreciation and Amortization Expense	11		159.89		131.25
Other Expenses	25		807.43		832.87
Total			5,779.37		4,586.05
V. Profit Before Tax			448.46		317.63
VI. Tax Expenses					
Current Tax		89.73		14.06	
Less : Mat Credit Entitlement for Ass.Yr. 2012-13		89.73		14.06	
Net Current Tax		0.00		0.00	
Deferred Tax		104.86	104.86	43.26	43.26
VII. Profit After Tax			343.60		274.36
Earning per share					
Basic			17.79		21.69
Diluted			17.23		16.40
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

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

CASH FLOW STATEMENT For the year ended 31st March, 2012

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
A) CASH FLOW FROM OPERATING ACTIVITY				
Net Profit before tax		448.46		317.63
Adjustment for :				
Depreciation & Amortisation		159.89		131.25
Foreign Currency Exchange Fluctuation Reserve		78.30		3.13
Profit on sale of Investment		0.00		-0.04
Prior Period Adjustment		0.00		-4.42
Loss on Assets Retirement		0.45		0.17
		687.11		447.72
Interest & Financial Charges		463.29		244.86
Operating Profit before Working Capital changes		1,150.39		692.59
Adjustment for				
Trade Receivable	-396.57		-694.57	
Inventories	153.22		-343.08	
Other Assets	-267.50		-40.23	
Current Liabilities	62.48	-448.36	601.41	-476.47
Cash from Operating Activity		702.03		216.12
Direct Taxes Paid (net)		-14.10		-5.79
Net Cash from Operating Activity (A)		687.93		210.33
B) CASH FLOW FROM INVESTING ACTIVITY				
Purchase of Fixed Assets / CWIP	-606.39		-627.52	
Proceed from sale of Mutual Fund & Investment	0.00		-76.28	
Proceeds from sale of Subsidiary	0.00		0.44	
Sale Proceed from Assets Retirement	3.58		0.40	
Net Cash used in Investing Activity (B)		-602.81		-702.97
C) Cash Flow from Financing Activity				
Equity Share Issued/Share Warrants/Share Premium	625.23		71.61	
Proceeds/Payment from Long Term Borrowing	-401.98		293.60	
Proceeds from Short Term Borrowing	235.08		373.69	
Payment of Dividends	-20.07		-13.21	
Payment of Interest & Financial Charges	-463.29		-244.86	
Net Cash used in Financing Activity (C)		-25.03		480.83
Net Increase in Cash & Cash Equivalents (A+B+C)		60.09		-11.81
Opening Balance in Cash & Cash Equivalents		122.27		134.08
Closing Balance in Cash & Cash Equivalents		182.36		122.27

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 regroup & reclassify 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

Manish Kalani
Managing Director

Place : Indore
Date : 30th May 2012

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K. Vijayvergiya
Whole Time Director

Note 1 SIGNIFICANT ACCOUNTING POLICIES

I. 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.

II. 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.

III. 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.

IV. 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.

V. 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 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 plant 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.

VI. Investment

Long Term Investment are stated at cost. In case of diminution in value other than temporary, the carrying amount is reduced to recognize the decline. Current Investment are carried at cost or fair value whichever is lower.

VII. 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.

NOTES FORMING PART OF ACCOUNTS

VIII. 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.

IX. 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.

X. 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:

(Rs. in Million)

	As at 31 st March 2012	As at 31 st March 2011
(A) Deferred Tax Liability		
Net Block as per books	3,489.93	2493.23
Net Block as per Income Tax	2,339.76	1,705.04
Less : Differences reversing during tax holiday period	58.25	53.82
Timing Difference	1,091.92	734.37
Deferred tax liabilities @ 32.445% on the timing difference	354.27	243.96
Opening Balance	243.96	185.79
Deferred Tax Liability Created	110.32	58.17
Closing Balance (A)	354.27	243.96
(B) Deferred Tax Assets		
Opening Balance	66.33	51.42
Deferred Tax Assets created	5.46	14.91
Cumulative Deferred Tax Assets (B)	71.78	66.33
Net Deferred Tax Liability (A-B)	282.49	177.63

XI. 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".

XII. 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.

XIII. Others

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

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 2 SHARE CAPITAL				
Authorised				
25000000 Equity Shares of Rs 10/- each		250.00		250.00
Total		250.00		250.00
Issued, Subscribed, Called & Paid up				
21731810 Equity Shares of Rs.10/-each fully paid up	217.32		172.12	
(Out of above during the year 4500000 share of Rs. 10 each at a premium of Rs. 145 each is issued through IPO with offer for sale of 2250000 equity share of Clearwater Capital Partners (Cyprus) Ltd. & ESOP 19700 Equity Shares of Rs. 10 each at a premium of Rs. 85 were also issued.)				
(Previous year 17212110 Equity Shares of Rs.10/-each fully paid up)				
Total		217.32		172.12

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

(Rs. in Million)

Name of the Shareholder	As at		As at	
	31 st March 2012		31 st March 2011	
	No. of Shares	% Held	No. of Shares	% Held
A. Kalani Industries Pvt. Ltd.	3483600	16.03	3483600	20.24
B. Clearwater Capital Partners(Cyprus)Ltd.	2236592	10.29	4486592	26.07
C. Saurabh Properties Pvt. Ltd.	1270530	5.85	1270530	7.38
D. Miscellani Global Pvt. Ltd.	1217520	5.60	1217520	7.07
E. Sanovi Trading Pvt. Ltd.			936700	5.44
F. Anshuman Properties Pvt. Ltd.			940500	5.46
G. High Sky Properties Pvt. Ltd.			904400	5.25
H. Fantasy Real Estate Pvt. Ltd.			915800	5.32
I. Seven Star Properties Pvt. Ltd.			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).

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 3 RESERVE & SURPLUS				
i) Capital Reserve				
a. SEZ Re-Investment Allowance Reserve	113.34		0.00	
Add :- Addition during the year	136.37		113.34	
	249.71		113.34	
Less :- Utilized during the year	-104.19	145.52	0.00	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 exp.	74.14		0.00	
Closing Balance		1,413.63		833.60
iii) Other Reserves				
a. General Reserve Account		140.50		140.50
b. Foreign Currency Exchange Fluctuation Reserve		81.43		3.13
iv) Profit & Loss Account				
Opening Balance	375.05		234.09	
Addition during the year	343.60		274.36	
Add : SEZ Re-Investment Allowance Reserve Utilization A/c	104.19		0.00	
Less : Utilization during the year :				
a. Proposed Dividend	21.73		17.21	
b. Dividend Distribution Tax	3.53		2.86	
c. Transfer to General Reserve Account	0.00		0.00	
d. Transfer to SEZ Re-Investment Allowance Reserve	136.37		113.34	
Closing Balance		661.22		375.05
		2,442.30		1,465.62

Note 4 LONG TERM BORROWINGS

SECURED TERM LOANS :				
A. FROM BANKS:				
a. Rupee Currency Loan				
i) – UCO Bank, Indore		68.58		102.95
(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 % PA)				
ii) – Axis Bank Ltd., Indore		174.84		200.00
(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)				
Total (a)		243.41		302.95
b. Term Loans For Kashipur Projects				
For Phase-I :				
i) – UCO Bank Ltd., Indore*	298.62		355.52	
(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)				
ii) – State Bank of India, Indore	111.34		150.59	
(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)				
iii) – Central Bank of India, Indore	69.87		96.11	
(Payable in 24 quarterly Instalments, wef 30.08.2008, present rate of interest -15.00 % PA)				
iv) – Punjab National Bank, Indore*	153.16	632.99	192.68	794.90
(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)				

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	As at 31 st March 2012		As at 31 st March 2011	
Note 4 LONG TERM BORROWINGS (Contd.)				
For Phase-II :				
i) – UCO Bank Ltd., Indore*	202.50		212.38	
(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)				
ii) – State Bank of India, Indore	89.90		101.20	
(Payable in 7 years, (24 quarterly Instalments) after 1.25 year the date of disbursement wef 31.12.2009, from present rate of interest 15.25 % P A)				
iii) – State Bank of Patiala, Indore	99.45		111.18	
(Payable in 4 quarterly Instalments of Rs 1.31 mln and 20 instalments of Rs 5.238 mln after 1 year from the date of disbursement wef 26.03.2010, present rate of interest - 14.75 % P A)				
iv) – Punjab National Bank, Indore	94.41		117.96	
(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)				
v) – HSBC Bank, Race Course Road Indore	0.00	486.26	14.55	557.26
For Others -				
– Uco Bank, R & D Loan		121.52		155.87
(Payable in 17 unequal quarterly Instalments after 11 month from the date of disbursement wef 29.03.2010, present rate of interest - 15.00 % P A)				
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 Rs 447.30 million on 14.12.2011				
*PNB Rs 144.05 million on 29.03.2012				
Total (b)		1,240.77		1,508.03
B FROM FINANCIAL INSTITUTIONS:				
i) MPFC Capital Market		4.61		24.39
(A Div.of M.P.Financial Corporation,Indore)				
(Payable in 20 quarterly Instalments after 6 months from the date of disbursement)				
Sub Total		1,488.80		1,835.37
Less: Instalment of Term Loans payable in next one year		402.30		345.00
Total		1,086.50		1,490.37

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 Shri Manish Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.

Note 5 OTHER LONG TERM LIABILITY

Vehicle Loans		3.62		1.36
Less : Instalments due within Next year		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.

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 6 LONG TERM PROVISION				
Outstanding Group Gratuity Contribution		15.16		15.34
Note 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	
(New Gold Card)	46.40	330.06	37.16	470.10
ii) Punjab National Bank, Indore				
Cash Credit Loan	146.91		101.07	
Export Packing Credit	269.85	416.76	197.17	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	327.10	5.50	22.77
iv) State Bank of India, Indore				
Cash Credit Loan	4.70		14.51	
Export Packing Credit	17.08	21.78	57.43	71.94
v) State Bank of India, Pithampur				
Cash Credit Loan		5.99		0.88
vi) State Bank of Patiala, Indore				
Cash Credit Loan		20.58		20.67
vii) Axis Bank Ltd., Indore				
Cash Credit Loan	65.19		36.33	
Export Packing Credit	79.82	145.01	111.01	147.34
viii) The HSBC Ltd., Indore				
Cash Credit Loan				1.30
Total (A)		1,267.28		1,033.25
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		20.05		19.00
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.)				
Total (A +B)		1,287.33		1,052.25
Note 8 TRADE PAYABLES				
Trade Creditors		864.48		891.38

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	As at 31 st March 2012		As at 31 st March 2011	
Note 9 OTHER CURRENT LIABILITIES				
i) Creditors for Capital Goods	116.59		114.20	
ii) Sundry Liabilities	174.55		242.15	
iii) Tax Payable	5.87		6.80	
iv) Unpaid Dividend	0.03	297.04	0.03	363.18
v) Repayment of Term Loan Payable in next one year		402.30		345.00
vi) Repayment of Vehicle loans Payable in next one year		0.86		0.67
vii) Accrued Interest		10.70		2.43
		710.90		711.29

Note 10 SHORT TERM PROVISION

i) For Income Tax		89.73		14.06
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		34.17

Note 11 FIXED ASSETS

(Rs. in Million)

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	Amorti- sation	For the year	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011	
Tangible Assets												
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	
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	
Factory Building	542.71	204.93	0.00	747.64	62.38	0.00	0.00	20.60	82.98	664.66	480.33	
Plant & Machinery	2,041.75	946.91	22.35	2,966.31	283.27	4.10	0.00	125.36	404.53	2,561.78	1,758.48	
Electric Installation	103.99	83.45	0.00	187.44	16.78	0.00	0.00	6.75	23.53	163.91	87.21	
Furniture & Fixtures	27.06	8.15	0.00	35.21	6.14	0.00	0.00	1.91	8.05	27.16	20.92	
Office Equipments	26.79	33.93	0.00	60.72	5.10	0.00	0.00	1.62	6.72	54.01	21.70	
Vehicles - Cars	13.16	3.47	2.30	14.33	4.90	1.47	0.00	1.25	4.68	9.66	8.26	
Vehicles - Others	0.23	0.00	0.00	0.23	0.18	0.00	0.00	0.01	0.18	0.05	0.05	
Computer	10.62	5.55	0.00	16.18	6.03	0.00	0.00	2.06	8.09	8.09	4.59	
Sub Total	2,902.13	1,335.61	24.65	4,213.09	386.73	5.57	0.26	159.56	540.97	3,672.11	2,515.40	
Intangible Assets												
Patent	0.75	0.09	0.00	0.84	0.15	0.00	0.00	0.08	0.23	0.61	0.60	
Sub Total	0.75	0.09	0.00	0.84	0.15	0.00	0.00	0.08	0.23	0.61	0.60	
Total	2,902.88	1,335.70	24.65	4,213.93	386.88	5.57	0.26	159.63	541.20	3,672.73	2,516.00	
Previous year	2,650.30	253.45	0.86	2,902.88	255.92	0.29	0.26	131.00	386.88	2,516.00	2,394.38	

Particulars	As at 31 st March 2012		As at 31 st March 2011	
Note 12 INVESTMENTS				
In Subsidiary : Unquoted (at Cost)				
i) Flexiglobal Holding Ltd., Cyprus (Wholly Owned Subsidiary of the company) (10,00,000 Equity Shares of Euro 1 /- each partly paid up)		12.52		12.52
ii) Nanofil Technologies Private Limited, Kashipur (Wholly Owned Subsidiary of the company) (10,000 Equity Share of Rs. 10/- each fully paid)		0.10		0.10
iii) Satguru Polyfab Pvt.Ltd., Gandhidham (Subsidiary of the company) (80,00,000 Equity Shares of Rs. 10/- each & 10,00,000 Equity Shares of Rs. 12.10 each)		92.10		92.10
		104.72		104.72

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 13 LONG TERM LOANS AND ADVANCES				
Sundry Deposits		18.10		16.36
Note 14 INVENTORIES				
i) Raw materials		131.68		177.53
ii) a) Finished Goods	161.47		244.58	
b) Semi-Finished Goods	407.80		385.49	
c) Waste / Scrap	9.68		13.26	
d) Moulded Articles	0.03		0.06	
e) Stock at Indore Depot. / Kolkata	8.94	587.92	0.46	643.86
iii) Store & Spares parts & Stationary		87.40		138.33
iv) Loose Tools / Paintings		1.53		2.03
		808.54		961.76
Note 15 TRADE RECEIVABLES				
(Unsecured, Considered Good)				
i) Exceeding six months from the date they are due for payment		109.21		155.82
ii) Others		1,482.13		1,038.97
		1,591.35		1,194.78
Note 16 CASH & CASH EQUIVALENTS				
i) Cash in Hand		4.13		1.68
ii) Balance with Scheduled Banks :				
a) – In Current Accounts	24.17		14.25	
b) – In Margin Money Deposit Accounts	145.56		105.84	
c) – Other FDRs	8.50	178.23	0.50	120.59
		182.36		122.27
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)		0.45		0.31
b) Satguru Polyfab Pvt Ltd (Subsidiary of the company)		65.48		140.83
ii) Others				
a) Advance against Supplies & Expenses		272.53		79.94
b) Advance to Staff & Workers		36.05		9.94
c) Advance recoverable in cash or in kind or value to be received		24.77		13.98
d) Sundry Deposits		7.95		0.99
e) Sundry Receivables		213.92		98.81
f) Tax Deducted at Source		2.50		2.71
g) Balance With Excise Authorities		22.83		23.71
		646.48		371.22

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
Note 18 REVENUE FROM OPERATIONS				
SALE OF PRODUCTS				
i) Export Sales		4,491.48		3,637.61
ii) Domestic Sales & Receipts		1,772.33		1,320.13
Less : Excise Duty		53.37		66.95
		6,210.44		4,890.80
Note 19 OTHER INCOME				
i) Interest Income		12.47		6.19
ii) Net gain / Loss of Investment		0.00		0.04
iii) Other Non Operating Income				
a) Profit on sale of Agglomerates / Scrap		1.65		1.14
b) Other Receipts		3.26		5.52
		17.39		12.88
Note 20 COST OF MATERIAL CONSUMED				
Raw Material Consumed				
i) Granuels, Master Batch & Fabric		2,947.22		2,619.96
ii) Others Raw Material		371.01		197.78
		3,318.23		2,817.75
Note 21 PURCHASES OF STOCK IN TRADE				
i) Purchase of Bag,FIBC/Moulding Articles & sheet		172.78		5.24
ii) Purchase of Liner, Rope, Belt,Waste etc.		0.56		0.05
iii) Cylinder, Bopp film & Ink Purchase		0.00		83.16
iv) Purchase of Fabric		14.75		18.96
v) Purchase for Woven Sacks		26.92		4.29
		215.01		111.71
Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE				
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 Indore Depot./ Kolkata	8.94	587.92	0.46	643.86
ii) Less : Opening Stock				
a) Finished	244.58		153.83	
b) Semi Finished	385.49		225.59	
c) Waste/Scrap	13.26		20.07	
d) Moulding Articles	0.06		0.00	
e) Stock at Indore Depot.	0.46	643.86	0.00	399.49
		-55.94		244.37
Note 23 EMPLOYEE BENEFIT EXPENSES				
i) Labour charges		90.97		72.56
ii) Factory Salary & Wages & Bonus		504.42		475.25
iii) Provident Fund & ESI Contribution		40.82		38.06
iv) Administrative Salaries & Allowances		96.65		83.73
v) Staff & Workmen Welfare Expenses		26.73		22.38
		759.58		691.98

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
Note 24 FINANCE COST				
A. Interest Expenses				
i) Interest on Term Loan		202.73		104.74
ii) Interest on Working Capital		137.18		76.48
iii) Interest to Others		9.89		6.65
iv) Interest on Income Tax		1.58		0.00
B. Other Borrowing Cost				
i) Bills Discounting Charges		56.54		35.59
ii) Misc Bank Charges		55.95		32.62
C. Foreign Exchange Fluctuation		-0.58		-11.21
		463.29		244.86

Note 25 OTHER EXPENSES				
(A) MANUFACTURING EXPENSES				
i) Power & Fuel		218.05		223.72
ii) Rent, Rates and Taxes		8.45		7.40
iii) Jobwork expenses		58.71		66.60
iv) Consumption of Stores & Spare parts		59.55		60.40
v) Repairs & Maintenance		6.13		3.67
vi) Freight Inward		15.80		35.24
vii) Entry Tax		8.29		11.93
viii) Laboratory and R & D Expenses		1.20		0.00
ix) Factory Expenses		1.55		1.59
		377.72		410.55
(B) ADMINISTRATIVE EXPENSES				
i) Courier & Telephone Expenses		12.82		11.16
ii) Vehicle Running Expenses		5.02		6.10
iii) Insurance Charges		5.77		5.21
iv) Rent for Office / Guest House		1.29		1.62
v) Legal and Professional Fees		65.89		24.07
vi) Miscellaneous Expenses		23.96		21.86
vii) Provision for Wealth tax		0.04		0.04
		114.79		70.06
(C) SELLING EXPENSES				
i) Freight & Carriage Outward		224.84		266.51
ii) Travelling Expenses:				
a) Directors	0		0.02	
b) Staff	25.88	25.88	18.10	18.12
iii) Advt., Newspaper & Periodicals		0.21		0.04
iv) Inspection Charges		2.53		2.23
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		0.59	
b) Export sale	0.07	4.15	0.21	0.80
viii) Business Promotion Expenses		6.32		5.87
ix) Commission on Sales:				
a) Domestic Sale	0.54		0.57	
b) Export sale	4.50	5.05	2.00	2.57
x) Octroi Duty		0		0.01

NOTES FORMING PART OF ACCOUNTS

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
Note 25 OTHER EXPENSES (Contd.)				
xi) Taxation on Domestic Sale:				
Value Added Tax/Commercial Tax/CST		40.12		55.18
		314.92		356.68
(D) PRIOR PERIOD EXPENSES				
a. Mat Credit Entitlement for Ass.Yr. 2009-10	0.00		-5.79	
b. Income Tax Provision earlier year	0.00		0.53	
c. Loss on Sale of Investments	0.00	0.00	0.84	-4.42
Total of Other Expenses		807.43		832.87

Note 26

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. 53.05 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 0.47 million and GBP 1.19 million). The mark to market profit/(loss) of Rs.0.58 million (Previous year profit Rs.11.21 million) has been provided in the accounts.
- vi. Corporate Guarantee given by the Company is as under:

Sr.	Given in favour of	Given on Behalf of	Amount (Rs. in million)
1.	Customs & Central Excise Department	Entertainment World Developers Limited,	Rs.4.55 million (P. Y. 4.55 million)
2.	State Bank of Patiala	Satguru Polyfab Pvt. Ltd.,	Rs.60.00 million (P.Y. 60.00 million)
3.	Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd.,	Rs. 0.20 million (P.Y. 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 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.
- viii. 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.

NOTES FORMING PART OF ACCOUNTS

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	Rs. 343.60 million (Previous year Rs.274.36 million) 21731810 Equity Share of Rs. 10/- each (Previous year 17212110 EquityShares)
(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. 17.79 (Previous year Rs. 21.69)
– Diluted [(a)/(d)]	Rs. 17.23 (Previous year Rs. 16.40)

D. During the year the Company has booked the amount of interest subsidy of Rs.23.08 million (Previous year 11.07 million) and the same has been credited in interest paid on term loan account.

E. Details of utilisation of fund as on 31.03.12 is as under

(Rs. in Million)

Particulars	Amount Raised through IPO	Amount Utilised	Unutilised IPO fund
Expansion of manufacturing facilities at SEZ and DTA units at Pithampur	189.32	189.32	–
Setting up of Dripper Project at Kashipur	80.97	73.02	7.95
Working capital requirements	250.00	250.00	–
General corporate purposes	112.38	112.38	–
Issue Related Expenses	64.80	64.80	–

Unutilised amount has been invested in interest bearing securities and FDRs.

F. Insurance Claim pertaining to damage to the factory premises at Kasipur including stock, building, plant & machinery etc Rs 40.00 million (app.) is yet to be settled against which sufficient insurance coverage is available. The loss on account of this is provided in the books by valuation in case of inventory and repairs expenses in case of Plant & Machinery. Similar claim money stolen of Rs 2.03 million is also yet to be settled against which sufficient insurance coverage is available. Loss of cash has been provided in the books.

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 shown in below:

(Rs. in Million)

	Subsidiaries	Associates	Relatives of Key Management Personnel	Total
Sale of Goods	108.14	10.62		118.76
Purchases of Goods	158.29	–	–	158.29
Purchases of fixed assets	8.69	–	–	8.69
Rendering of services	1.65	–	–	1.65
Receiving of services	7.61	0.83	2.90	11.35

NOTES FORMING PART OF ACCOUNTS

K. Quantitative & Other informations (Contd.)

(Rs. in Million)

	Rs. in Million	Imported (%)	Rs. in Million	Indigenous (%)
(VI) Value of imported and indigenous material consumed and percentage of total consumption				
i) Raw Material	274.21	9.30%	2,673.01	90.70%
	(215.79)	(8.24%)	(2,404.17)	(91.76%)
ii) Stores	51.35	13.84%	319.65	86.16%
	(27.92)	(14.12%)	(169.86)	(85.88%)
(VII) Earning in Foreign Exchange				
Export Sales (F.O.B)		4,168.09		(3,329.35)
(VIII) Payment to Auditors				
i) Audit Fees		0.43		(0.43)
ii) Tax Audit Fees		0.03		(0.03)
iii) For Other Work		0.16		(0.04)
		0.61		(0.49)
(IX) Meeting Fees Paid to Directors		0.03		(0.02)
Figures given in brackets are pertaining to the previous year				

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

Manish Kalani
Managing Director

Place : Indore
Date : 30th May 2012

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K . Vijayvergiya
Whole Time Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

1. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue

Bonus issue Private Placement (Share Warrant Converted)

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus

Non Current Liability Current Liability

Application of Funds

Non Current Assets Current Assets

4. Performance of the Company (Amount in Rs. Thousands)

Turnover Total Expenditure

Profit/Loss Before Tax Profit/Loss After Tax

Earning Per Share Dividend Rate % %

5. Generic Names of Three Principal Products (as per monetary terms)

Item Code No. (ITC Code)

Product Description HDPE/PP Woven Sacks & Jambo bags/BOPP Bags/Geo Textile/Compounding etc

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

Manish Kalani
Managing Director

Place : Indore
Date : 30th May 2012

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K. Vijayvergiya
Whole Time Director

CONSOLIDATED AUDITORS' REPORT

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:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its Subsidiaries as at March 31, 2012;
- b) 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
- c) 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.

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

Abhay Singi
Partner

Place: Indore
Dated : 30th May 2012

Membership No 079873

CONSOLIDATED BALANCE SHEET As at 31st March, 2012

(Rs. in Million)

Particulars	Note No.	As at		As at	
		31 st March 2012		31 st March 2011	
I. EQUITY AND LIABILITIES					
1. Shareholder's Fund					
a) Share Capital	2	217.32		172.12	
b) Reserve & Surplus	3	2,464.43	2,681.75	1,467.73	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	15.16	1,547.73	15.34	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	115.03	3,776.01	39.78	3,136.25
Total			8,022.22		6,571.76
II. ASSETS					
1. Non Current Assets	11				
a) Fixed Assets					
I) Tangible Assets		3,972.02		2,697.76	
II) Intangible Assets		48.15		5.94	
III) Capital Work in Progress		0.00	4,020.17	714.25	3,417.96
IV) Goodwill on consolidation			7.50		8.34
b) Long term loans and advances	12		21.84		20.10
c) Other non-current assets	13		0.73		0.83
2. Current Assets					
a) Inventories	14	1,069.32		1,218.75	
b) Trade Receivable	15	2,051.30		1,464.42	
c) Cash & Cash Equivalents	16	225.16		145.59	
d) Short term loans & Advances	17	626.19		286.28	
e) Other Current Assets		0.00	3,971.97	9.49	3,124.54
Total			8,022.22		6,571.76
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

Manish Kalani
Managing Director

Place : Indore
Date : 30th May 2012

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K. Vijayvergiya
Whole Time Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the year ended 31st March, 2012

(Rs. in Million)

Particulars	Note No.	Year ended 31 st March 2012		Year ended 31 st March 2011	
I. Revenue from Operation	18		7,434.05		5,779.40
II. Other Income	19		37.85		14.53
III. Total Revenue (I +II)			7,471.90		5,793.92
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			6,981.42		5,446.32
V. Profit Before Tax (III-IV)			490.48		347.61
VI. Tax Expenses					
Current Tax		92.85		19.67	
– Mat Credit Entitlement for Ass.Yr. 2011-12		-89.73		-14.06	
– for Deferred Tax		108.99	112.10	47.92	53.53
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 No. 000780C

Abhay Singi
Partner
Membership No. 079873

Place : Indore
Date : 30th May 2012

For and on Behalf of Board

Manish Kalani
Managing Director

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K. Vijayvergiya
Whole Time Director

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31st March, 2012

(Rs. in Million)

Particulars	Year ended	
	31 st March 2012	31 st March 2011
A) CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before tax	490.48	347.61
Adjustment for :		
Depreciation & Amortisation	180.13	148.85
Foreign Currency Exchange Fluctuation Reserve	78.30	3.13
Foreign Currency Translation Reserve	-14.42	-6.74
Prior Period Adjustments	0.00	-5.26
Profit from sale of Investment	0.00	-0.04
Profit/Loss on Assets Retirement	-7.82	0.17
	726.67	487.71
Interest & Financial Charges	491.62	277.41
Operating Profit before Working Capital changes	1,218.29	765.13
Adjustment for		
Trade Receivable	-586.88	-823.99
Inventories	149.43	-488.09
Other Assets	-242.34	-28.19
Current Liabilities	325.54	762.72
Cash from Operating Activity	864.04	187.57
Direct Taxes Paid (net)	-19.67	5.26
Net Cash from Operating Activity (A)	844.37	192.83
B) CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets / CWIP	-801.38	-636.96
Sale Proceed from Assets Retirement	25.86	0.40
Investment	0.00	2.54
Proceed from sale of subsidiary	0.00	0.44
Net Cash used in Investing Activity (B)	-775.52	-633.58
C) CASH FLOW FROM FINANCING ACTIVITY		
Equity Share Issued/Share Warrants/Share Premium	625.23	71.61
Proceeds from Long Term Borrowing	0.00	539.40
Proceeds from Short Term Borrowing	238.97	370.08
Repayment of Long Term Borrowing	-341.80	-250.40
Payment of Dividends	-20.07	-13.21
Payment of Interest & Financial Charges	-491.62	-277.41
Net Cash used in Financing Activity (C)	10.72	440.07
Net Increase in Cash & Cash Equivalents	(A+B+C)	-0.68
Opening Balance in Cash & Cash Equivalents	145.59	146.27
Closing Balance in Cash & Cash Equivalents	225.16	145.59

Notes :

- 1 The Cash Flow Statement has been prepared in indirect method with corresponding adjustment in Assets & Liabilities.
- 2 Cash & Cash Equivalents represent Cash & Bank Balances which are short-term in nature.
- 3 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

Manish Kalani
Managing Director

Place : Indore
Date : 30th May 2012

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K. Vijayvergiya
Whole Time Director

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

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 owner-ship 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 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 interest's 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 interest's 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".

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.

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

b) Going Concern

Since the Board of Directors of M/s Laxmi Incorporated has ceased 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

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 2 SHARE CAPITAL				
Authorised				
2,50,00,000 Equity Shares of Rs 10/- each		250.00		250.00
(Previous year 2,50,00,000 Equity Shares of Rs.10/-each)				
		250.00		250.00
Issued, Subscribed, Called & Paid up				
21731810 Equity Shares of Rs.10/-each fully paid up		217.32		172.12
(Previous year 17212110 Equity Shares of Rs.10/-each fully paid up)				
Total		217.32		172.12

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

(Rs. in Million)

Name of the Shareholder	As at		As at	
	31 st March 2012		31 st March 2011	
	No. of Shares	% Held	No. of Shares	% Held
A. Kalani Industries Pvt. Ltd.	3483600	16.03	3483600	20.24
B. Clearwater Capital Partners(Cyprus)Ltd.	2236592	10.29	4486592	26.07
C. Saurabh Properties Pvt. Ltd.	1270530	5.85	1270530	7.38
D. Miscellani Global Pvt. Ltd.	1217520	5.60	1217520	7.07
E. Sanovi Trading Pvt. Ltd.			936700	5.44
F. Anshuman Properties Pvt. Ltd.			940500	5.46
G. High Sky Properties Pvt. Ltd.			904400	5.25
H. Fantasy Real Estate Pvt. Ltd.			915800	5.32
I. Seven Star Properties Pvt. Ltd.			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).

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 3 RESERVE & SURPLUS				
i) Capital Reserve				
a. SEZ Re-Investment Allowance Reserve	113.34		0.00	
Add :- Addition during the year	136.37		113.34	
	249.71		113.34	
Less :- Utilized during the year	-104.19		0.00	
Closing Balance		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	74.14		0.00	
Closing Balance		1,413.63		833.60
iii) Other Reserves				
a. General Reserve Account		140.50		140.50
b. Foreign Currency Translation Reserve		-18.23		-3.81
c. Foreign Currency Exchange Fluctuation Reserve		81.43		3.13
iv) Profit & Loss Account				
Opening Balance	380.97		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				
a. Proposed Dividend	21.73		17.21	
b. Dividend Distribution Tax	3.53		2.86	
c. Transfer to General Reserve Account	0.00		0.00	
d. Transfer to SEZ Re-Investment Allowance Reserve	136.37		113.34	
Closing Balance		701.58		380.97
		2,464.43		1,467.73

Note 4 LONG TERM BORROWINGS

SECURED TERM LOANS :

A. FROM BANKS:**a. Rupee Currency Loan**

i) – UCO Bank, Indore	68.58		102.95	
(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)				
ii) – Axis Bank Ltd. Indore	174.84	243.41	200.00	302.95
(Payable in 12 quarterly Instalments after 9 months from the date of disbursement i.e. 03.08.2010, present rate of interest -14.00 % P A)				
Term Loans For Kashipur Projects				
for Phase-I :				
i) – UCO Bank Ltd., Indore*	298.62		355.52	
(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)				
ii) – State Bank of India, Indore	111.34		150.59	
(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)				
iii) – Central Bank of India, Indore	69.87		96.11	
(Payable in 24 quarterly Instalments, wef 30.08.2008, present rate of interest -15.00 % PA)				
iv) – Punjab National Bank, Indore*	153.16	632.99	192.68	794.90
(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)				

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	As at 31 st March 2012		As at 31 st March 2011	
Note 4 LONG TERM BORROWINGS (Contd.)				
For Phase-II :				
i) – UCO Bank Ltd., Indore*	202.50		212.38	
(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)				
ii) – State Bank of India, Indore	89.90		101.20	
(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)				
iii) – State Bank of Patiala,Indore	99.45		111.18	
(Payable in 4 quarterly Instalments of Rs 1.31 mln and 20 instalments of Rs 5.238 mln after 1 year from the date of disbursement wef 26.03.2010, present rate of intt. 14.75 % P A)				
iv) – Punjab National Bank, Indore	94.41		117.96	
(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)				
v) – HSBC Bank Limited, indore	0.00		14.55	
– For Others				
– Uco Bank Ltd., R & D Loan	121.52	607.78	155.87	713.13
(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)				
Out of Above, following amount converted into Foreign Currency Term Loans for a period of SIX months :-				
*UCO Bank Rs 447.30 million on 14.12.2011				
*Punjab National Bank Rs 144.05 million on 29.03.2012				
Term Loan for Satguru, Kandla				
i) – State Bank of Patiala, Indore	47.44		57.44	
(Repayable door to door tenor 7-1/4 years)				
ii) – State Bank of Travancore, Indore	41.53	88.97	47.83	105.27
(Repayable door to door tenor 7-1/4 years)				
		1,573.16		1,916.24
B. FROM FINANCIAL INSTITUTIONS:				
i) MPFC Capital Market		4.61		24.39
(A Div.of M.P.Financial Corporation,Indore)				
C. Secured Term Loan / Hire Purchase and Leasing at FGH		76.48		0.00
Total (A+B+C)		1,654.25		1,940.63
Less: Repayable in next one year		420.70		363.40
Total		1,233.55		1,577.23

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 Shri Manish Kalani and corporate guarantee of M/S Kalani Industries P. Ltd.

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	As at 31 st March 2012	As at 31 st March 2011
Note 5 OTHER LONG TERM LIABILITY		
Vehicle Loans	3.61	1.36
Less : Instalments due within Next year	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.

Note 6 LONG TERM PROVISION

Outstanding Group Gratuity Contribution	15.16	15.34
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Note 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	330.06	37.16	470.10
ii) Punjab National Bank, Indore				
Cash Credit Loan	146.91		101.07	
Export Packing Credit	269.85	416.76	197.17	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	327.10	5.50	22.77
iv) State Bank of India, Indore				
Cash Credit Loan	4.70		14.51	
Export Packing Credit	17.08	21.78	57.43	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	41.29	14.00	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	145.01	111.01	147.34
x) The HSBC Ltd., Indore				
Cash Credit Loan		0.00		1.30
Total (A)		1,305.91		1,067.98

- 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.
- 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

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	As at		As at	
	31 st March 2012		31 st March 2011	
Note 8 TRADE PAYABLES				
Trade Creditors		1400.42		1252.75

Note 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	934.60	3.88	756.74

Note 10 SHORT TERM PROVISION

i) For Income Tax	89.73		19.67	
ii) For Wealth Tax	0.04		0.04	
iii) For Proposed Dividend	21.73		17.21	
iv) For Dividend Tax	3.53	115.03	2.86	39.78

Note 11 FIXED ASSETS

(Rs. in Million)

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 31.03.2012	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: Adjustment representing the fluctuation in currency rate

(Rs. in Million)

Particulars	As at		As at	
	31 March 2012		31 March 2011	
Note 12 NON TERM LOANS AND ADVANCES				
Sundry Deposits		21.84		20.10

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	As at 31 st March 2012		As at 31 st March 2011	
Note 13 OTHER NON CURRENT ASSETS				
Miscellaneous Expenditure :	0.83		0.92	
(To the extent not written off or adjusted)				
Less : Written Off During the period	0.09	0.73	0.09	0.83

Note 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.	8.94	815.81	0.46	859.02
iii) Store & Spares parts		93.27		142.86
iv) Loose Tools / Paintings		1.53		2.03
		1,069.32		1,218.75

Note 15 TRADE RECEIVABLES				
(Unsecured, Considered Good)				
i) Exceeding six months from the date they are due for payment		165.28		196.48
ii) Others		1,886.01		1,267.94
		2,051.30		1,464.42

Note 16 CASH & CASH EQUIVALENTS				
i) 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	149.90	212.22	109.76	134.03
c) – Other FDRs		8.50		0.50
		225.16		145.59

Note 17 SHORT TERM LOANS & ADVANCES				
(Unsecured, Considered Good)				
i) Advance against Supplies & Expenses		299.23		134.09
ii) Advance to Staff & Workers		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		22.83		25.12
		626.19		286.28

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
Note 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
		7,434.05		5,779.40
Note 19 OTHER INCOME				
i) Interest Received		15.92		6.60
ii) Net gain / Loss of Investment		0.00		0.04
iii) Other Non Operating Income :-				
a) Profit on sale of Agglomerates / Scrap		1.65		1.14
b) Other Receipts		20.27		6.75
		37.85		14.53
Note 20 COST OF MATERIAL CONSUMED				
i) Granuels, Master Batch & fabric		3,944.11		3,352.49
ii) Others Raw Material		390.94		17.08
		4,335.05		3,369.57
Note 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
		215.08		309.49
Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE				
i) Finished Goods & Work in Progress				
a) Finished	382.37		436.84	
b) Semi Finished	414.79		408.40	
c) Waste/Scrap	9.68		13.26	
d) Moulding Articles	0.03		0.06	
e) Stock at Indore Depot.	8.94	815.81	0.46	859.02
ii) Less : Opening Stock				
a) Finished	438.84		223.35	
b) Semi Finished	406.17		225.59	
c) Waste/Scrap	13.26		20.07	
d) Moulding Articles / Stock obtained during trial run	0.06		0.00	
e) Stock at Indore Depot.	0.46	858.80		469.02
		-42.99		390.01
Note 23 EMPLOYEE BENEFIT EXPENSES				
i) Labour charges	105.59		73.44	
ii) Factory Salary & Wages & Bonus	533.94		511.71	
iii) Provident Fund & ESI Contribution	40.90		38.20	
iv) Administrative Salaries & Allowances	116.37		96.99	
v) Staff & Workmen Welfare Expenses	26.80	823.61	23.60	743.94

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
Note 24 FINANCE COST				
A. Interest Expenses				
i) Interest on Term Loan		216.99		128.20
ii) Interest on Working Capital		142.34		82.09
iii) Interest to Others		14.54		6.88
iv) Interest on Income Tax		1.58		0.00
B. Other Borrowing Cost				
i) Bills Discounting Charges		56.54		35.59
ii) Misc Bank Charges		60.22		36.35
C. Foreign Exchange Fluctuation		-0.58		-11.71
		491.62		277.41

Note 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		51.10		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
		414.72		470.39
(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		0.01		0.00
ix) Provision for Wealth tax		0.04		0.04
		144.58		85.70
(C) SELLING EXPENSES				
i) Freight & Carriage Outward		226.61		270.86
ii) Travelling Expenses:				
a) Directors	0.00		0.00	
b) Staff	28.73	28.73	21.07	21.07
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	0.07	4.15	0.74	59.61
viii) Business Promotion Expenses		8.28		7.62

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(Rs. in Million)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
Note 25 OTHER EXPENSES (Contd.)				
ix) Commission on Sales:				
a) Domestic Sale	0.55		0.58	
b) Export sale	4.50	5.05	2.00	2.57
x) Octroi Duty / Charity & Donation		0.00		0.01
xi) Taxation on Domestic Sale:				
a) Commercial Tax / CST	48.48		55.86	
b) Value Added Tax	1.88	50.36	10.15	66.02
xii) Clearing, Packing & Forwarding Charges		0.00		0.15
		333.65		436.23
(D) PRIOR PERIOD EXPENSES				
a. Mat Credit Entitlement for Ass.Yr. 2009-10	0.00		-5.79	
b. Earlier year adjustment	0.00	0.00	0.53	-5.26
Total of Other Expenses		892.95		987.06

Note 26

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:

Sr.	Given in favour of	Given on Behalf of	Amount (Rs. in million)
	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

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

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.

(Rs. 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						
Less : Interest Expenses	917.32	578.64	26.92	31.85	944.25	610.49
Add : Other Income	485.13	268.67	6.49	8.74	491.62	277.41
Profit Before Tax	24.10	13.38	13.75	1.14	37.85	14.53
Less : Tax	456.30	323.35	34.18	24.25	490.48	347.61
Current Tax						
MAT Credit Entitlement	89.73	14.20	3.11	5.47	92.85	19.67
Deffered Tax	-89.73	-14.06	-	-	-89.73	-14.06
Net Tax	108.99	47.92	-	-	108.99	47.92
Profit After Tax before adjustment for	108.99	48.06	3.11	5.47	112.10	53.53
Minority Interest						
Less : Pre acquisition Profit/ Loss & Share of Minority	347.31	275.29	31.07	18.78	378.39	294.07
Less : Loss on sale of Subsidiary	0.34	-16.44	-	-	0.34	-16.44
Profit After Tax after adjustment for	-	0.84	-	-	-	0.84
Minority Interest						
Other Information						
Segment Assets	346.97	290.89	31.07	18.78	378.04	309.67
Segment Liabilities						
Depreciation & Amortisation	7,910.52	6,553.45	111.70	18.30	8,022.22	6,571.76
Capital Expenditure	4,742.90	4,582.39	597.57	349.52	5,340.47	4,931.91
	173.33	142.13	6.80	6.72	180.13	148.85
	1,385.16	257.85	130.47	6.75	1,515.63	264.60

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

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:

(Rs. in Million)

Particulars	Associates	Relatives of Key Management Personnel	Total
Sale of Goods	10.62	0.00	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

For and on Behalf of Board

Abhay Singi
Partner
Membership No. 079873

Manish Kalani
Managing Director

Place : Indore
Date : 30th May 2012

Dinesh Kumar Sharma
GM-Corporate Affairs &
Company Secretary

K. K. Vijayvergiya
Whole Time Director

FLEXITUFF INTERNATIONAL LIMITED

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

PROXY

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

*Applicable for shares held in electronic form.

I/We.....ofin the district of.....being
Member/Members of the above named Company hereby appoint.....
.....or failing him/her.....ofin.....the district ofas
my/our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on,
the2012 atA.M. at 304, Diamond Prestige, 41-A, A. J. C. Bose Road, Kolkata- 700 017, West Bengal and at any
adjournment thereof.

Affix
Revenue
Stamp

Signed this _____ day of _____ 2012.

Signature across Revenue Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the scheduled time of the Meeting. The Proxy need not be a Member of the Company.

FLEXITUFF INTERNATIONAL LIMITED

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

*Applicable for shares held in electronic form.

I hereby record my presence at the 19th Annual General Meeting of the Company being held at 304, Diamond Prestige, 41-A, A. J. C. Bose Road, Kolkata- 700 017, West Bengal on, the,2012 at A.M.

Full name of Shareholder / Proxy _____

(in block letters)

Member's/ Proxy's Signature

(To be signed at the time of handling over the slip)

Note : (i) Members/Proxy holders are requested to bring the Attendance Slip with them duly filed in when they come to the Meeting and hand over at the entrance. No attendance slip will be issued at the time of Meeting.
(ii) Members/ Proxy holders desiring to attend the Meeting should bring their copy of the Annual Report for reference at the Meeting.

