

CREATING

NEW

BENCHMARKS !

18th Annual Report 2010-11

AN ISO 9001 : 2008 ACCREDITED COMPANY



Flexituff, Pithampur (M.P.)

BOARD OF DIRECTORS

Shri Manish Kalani
Shri Pawan Jain
Shri Ravindra Chourasiya
Shri Anirudh Sonpal
Shri Kevan John Upperdine
Shri Sharat Anand
Shri Aswini Sahoo

Managing Director
Director
Director
Additional Director (w.e.f. 09.12.2010)
Director
Director
Nominee Director

COMPANY SECRETARY

Shri Dinesh Kumar Sharma

Company Secretary

AUDITORS

M/s L.K. Maheshwari & Co.
Chartered Accountants,
Indore

REGISTERED OFFICE

2nd Floor of Main Building,
19 R.N. Mukherjee Road,
Kolkata – 700 001 (W.B.)

MANUFACTURING FACILITIES

SEZ Unit

C 41-50, Special Economic Zone
Sector –III, Industrial Area
Pithampur – 454775
Dist. Dhar (M.P.)

DTA Unit

94, Industrial Area
Sector – I,
Pithampur – 454775
Dist. Dhar (M.P.)

Kashipur Unit

Khasra no. 672 – 728,
Village Mahuakhera,
Pipalgaon, Kashipur-244713
Distt. Udham Singh Nagar
(Uttarkhand)

Bankers

UCO Bank
Punjab National Bank
State Bank of India
State Bank of Patiala
Central Bank of India
HSBC
Axis Bank Ltd.
MPFC Capital Markets (A division of MPFC)

Electronic Registrar

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

NOTICE

NOTICE is hereby given that the **18th ANNUAL GENERAL MEETING** of the Members of **FLEXITUFF INTERNATIONAL LIMITED** will be held on Friday, 30th day of September, 2011 at 11:00 a.m. at the Registered office of the Company at 2nd Floor of Main Building, 19 R.N. Mukherjee Road, Kolkata – 700 001, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 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. Pawan Kumar Jain, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Ravindra Kumar Chourasiya, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditor to hold office from conclusion of this meeting till the conclusion of next Annual General Meeting of the company and to fix remuneration thereof.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an ordinary resolution: -

“RESOLVED THAT Mr. Anirudh Sonpal, Additional Director of the company be required to confirm as director from conclusion of this Annual General Meeting, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

By Order of the Board

Place: Mumbai
Date: 18.06.2011

Dinesh Kumar Sharma
Company Secretary

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

ITEM NO. 1 to 5 are self explanatory.

ITEM NO.6

The Board of Directors at its meeting held on 9th December, 2010 appointed Mr. Anirudh Sonpal as an Additional Director.

Mr. Anirudh Sonpal aged 50 years has graduated from Sydenhem Collage of Commerce & Economics, Mumbai and is a fellow member of The Institute of Chartered Accountant of India.

His core area of practice includes internal, management and operation audit, internal control, risk management, corporate governance and indirect taxes. He has actively participated in the activities of the ICAI at branch and regional levels. He has been nominated by various forums and associations in their committees he has presented papers at various seminars organized by professional bodies and industry associations.

Your Directors recommend the resolution under Item No. 6 of the Notice of the Annual General Meeting for approval of members.

None other director is interested except Mr. Anirudh Sonpal in the said resolution to the extent of his directorship in the Company.

NOTES :

1. PROXY:

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. REGISTER OF MEMBERS:

REGISTER OF MEMBERS WILL REMAIN CLOSED FROM **21st JULY 2011 TO 25th JULY 2011** (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF ANNUAL GENERAL MEETING AND PAYMENT OF DIVIDEND.

3. MEMBERS ARE REQUESTED TO:

- a. QUOTE THEIR LEDGER FOLIO NUMBER IN ALL THEIR CORRESPONDENCE.
- b. SEND THEIR QUERIES, IF ANY, AT LEAST 7 DAYS PRIOR TO THE DATE OF THE MEETING AT THE REGISTERED OFFICE OF THE COMPANY SO THAT INFORMATION CAN BE MADE AVAILABLE AT THE MEETING.

By Order of the Board

DIRECTORS' REPORT

To,
The Members of
Flexituff International Limited

We are pleased to present the Eighteenth Directors' Report on your Company's business and operations together with the Audited Financial Statements consolidated and the auditor's report of your Company for the year ended 31st March 2011.

FINANCIAL RESULTS AND APPROPRIATION (Consolidated)

Particulars	2010-11 (Rs in Million)	2009-10 (Rs in Million)
Sales (Including other income)	5,793.93	3,220.95
Profit before interest, depreciation & Tax	768.64	422.37
Profit before Tax	342.38	89.78
Profit after Tax	288.81	31.91
Prior Period Adjustment	(5.26)	(6.02)
Profit for the year	309.67	45.97
Add: Balance brought forward from Previous Year	204.71	181.94
Balance available for Appropriation	514.38	227.92
Appropriation		
Proposed dividend	17.21	11.32
Tax on dividend	0.28	0.18
Transfer to general reserve	0.00	10.00
Surplus carried to Balance Sheet	380.97	204.71

REVIEW OF OPERATIONS

Financial Year 2010-11 during the period consolidated sales and other income stood at Rs. 5,793.93 Millions as against that of Rs. 3,220.96 Millions in the previous year showing a growth of 79.88%. Company's consolidated Profit before interest, depreciation and tax increased to Rs. 768.64 Millions from Rs. 422.37 Millions in the previous year showing a growth of 81.98%

EXPORTS

During the period consolidated export sales increased by Rs. 2,218.33 Million i.e. 101.52 % and stood at Rs. 4,403.55 Millions as against Rs. 2,185.22 Million in the previous year.

APPROPRIATIONS

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 2011. The dividend, if approved, will be paid to the members within the time period stipulated by the Companies Act, 1956.

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 2008-09.

SUBSIDIARIES

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

Direct Subsidiaries

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

Indirect Subsidiaries

1. Flexiglobal (UK) Limited
2. Lakshmi Incorporated.

Statement pursuant to section 212 of the Companies Act 1956, the balance sheets of all subsidiaries are attached and form a part of the Annual Report 2011.

DISASSOCIATION FROM ECO POLYMERS LIMITED

During the year in review, your Company had a subsidiary in the name of Eco Polymers Limited which was incorporated in Bangladesh. However, as no business was conducted in this company and for lack of business prospects in Bangladesh, the Company disassociated itself from the said company on September 29, 2010 by transferring its entire shareholding in Eco Polymers Limited to a third party for a consideration Rs. 0.44 million.

CONVERSION OF SHARE WARRANTS INTO EQUITY SHARES

During the year under review, Kalani Industries Private Limited, one of our Promoters, exercised its option to convert 1,068,000 convertible share warrants into equity shares in the ratio of 1:1 i.e. 1 equity share for every one share warrant held. Accordingly, upon conversion, 1,068,000 equity shares were issued and allotted by the Company in favour of Kalani Industries Private Limited. Presently, there are no outstanding share warrants pending conversion.

CONVERSION OF FULLY CONVERTIBLE DEBENTURES INTO EQUITY SHARES

Your Company allotted 92 (ninety two) 0% Fully Convertible Debentures (FCDs) having a face value of Rs. 5,000,000 per debenture in favour of Clearwater Capital Partners (Cyprus) Limited at par, aggregating to Rs. 460,000,000. During the year under review, Clearwater Capital Partners (Cyprus) Limited exercised its option to convert all 92 FCDs into equity shares and accordingly 4,486,492 equity shares were issued at a conversion price at Rs. 102.53/- per share.

DIRECTORS

During the year under review, Mr. Anirudh Sonpal was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company holding office upto the date of the next Annual General Meeting. It is proposed to appoint him as director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting.

During the year under review Mr. Sunil Bhargava resigned from the post of Director of the Company w.e.f. 30.09.2010. The Board places on record it's appreciation for the contribution made by Mr. Bhargava during his tenure as a Director.

There are two directors who are liable to retire by rotation for the financial year under review namely, Mr. Pawan Kumar Jain and Mr. Ravindra Chourasiya. Mr. Pawan Kumar Jain and Mr. Ravindra Chourasiya are being eligible and offer themselves for re-appointment. The board recommends their reappointment for your approval.

AUDITORS

The term of appointment of M/s L.K. Maheshwari & Co, Chartered Accountants, Indore, Statutory Auditor of the Company will expire at the ensuing Annual General Meeting. The 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 for the year 2011-12.

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.

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 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.

INITIAL PUBLIC OFFER

Your Company is proposing, subject to receipt of requisite approvals and market conditions, to raise capital through an initial public offering (which comprises of fresh issue of equity shares by the Company and offer for sale by its existing shareholder-Clearwater Capital Partners (Cyprus) Limited). The objects of the proposed IPO is (i) expansion of manufacturing facilities at SEZ and DTA units at Pithampur, (ii) setting up of dripper project at Kashipur, working capital requirements; and (iii) general corporate purposes. In this regard, the Company had filed the Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on March 29, 2011. The copy of the DRHP is available on the websites of the SEBI at www.sebi.gov.in, the book running lead manager, www.csinga.com and our Company at www.flexituff.com.

The SEBI has issued its observations on the DRHP vide its letter dated June 14, 2011. The Company has also obtained the in-principle listing approvals from Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) on May 19, 2011 and June 10, 2011 respectively. The Company is in process of filing the in-seriatim reply in response to observations issued by SEBI.

CORPORATE GOVERNANCE

As your Company's shares are not listed on any stock exchange, the provisions of the listing agreement, including those relating to corporate governance, are not applicable. However, in view of the Company's proposed IPO, and as required by the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, your Company has complied with the corporate governance requirements contained in the equity listing agreement (as applicable), particularly those relating to composition of board of directors, constitution of committees such as Audit Committee, Shareholder / Investor Grievance Committee, etc. In addition, our Company intends to adopt a code of conduct for prevention of insider trading.

Currently, our 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, our Company has one executive director and six non-executive directors of whom three are independent directors.

A brief report on your Company's compliance with the corporate governance norms is separately provided as an Annexure - B in this Annual Report.

DEMATERIALISATION

The equity shares of your Company are available for dematerialisation with both NSDL and CDSL and the ISIN is INE060J01017. 92.17 % equity shares are in Demat form and remaining 7.83 % equity shares are kept 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).

EMPLOYEE STOCK OPTION SCHEME

During the year under review your Company has instituted the Employee Stock Option Scheme 2011, pursuant to the approval of the shareholders. Pursuant to the provisions of the Employee Stock Option Scheme 2011, 1,061,750 options were issued to eligible employees of the Company. These options are convertible into similar number of equity shares of face value of Rs.10 each of the Company in accordance with the provisions of ESOP 2011. The Employee Stock Option Scheme 2011 is in compliance with the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

HUMAN RESOURCE MANAGEMENT

Human Capital has always been amongst the most important and valuable assets of the Company. Your Company has enhanced its performance management process that motivates people to take ownership of their own performance 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.

ACKNOWLEDGEMENT

Your Directors wish to express their deep grateful appreciation for the valuable support and co-operation received from the shareholders and other stakeholders including various statutory authorities and society at large. Your director also place on record, their appreciation for the contribution and hard work of employees of the Company and its subsidiaries at all levels.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Date: 18.06.2011

Director

Director

ANNEXURE A TO THE DIRECTORS' REPORT

REPORT OF THE BOARD OF DIRECTORS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2011.

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
Unit Purchased	14368637	15717773	15488706	16565130
Total Amount (Rs.)	4,27,25,464	4,69,30,279	4,76,80,933	4,97,36,153
Rate per Unit (Rs.)	2.97	2.98	3.26	3.99
Sp. Power consumption/kg	1.18	1.18	1.26	1.21
Exp. / kg. of Input (Rs.)	3.65	3.63	3.96	4.05

1. Plant and machinery utilized effectively to improve the productivity and to reduce the power consumption.
2. In the expansion programme, every attempt is being made to procure new highly efficient machines - inefficient old machines are being replaced by new efficient plant and machines.
3. In spite of hike in energy charges, cost of energy per kg. of production is under control, because of measures being taken to save the energy.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Date: 18.06.2011

Director

Director

FORM B

Form for disclosure of particulars with respect to absorption

RESEARCH & DEVELOPMENT

Specific areas in which R&D carried out by the Company:

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

1. Research and development of Reenclosable BOPP bags by application of plastic zipper on the top of the bag, which are used for various pet food products like rice, floor, special fertilizer, seeds etc.
2. Development of technology in recycling operation to remove and make product totally contamination free.
3. Nanobond 204TL for tie layers (5 – 7 layer lamination);
4. Development of toluene free alcohol based PP compound ink and FDA approved PP band Ink for BOPP printing.
5. Development of anti-bacterial PP Bags
6. Master batches developed for new variety like Antirodent Master batches; UV Master batch PP and PE base; UV Master batch for 1000 hrs retention period;
7. Development of pinch bottom technology in BOPP bags.
8. Development of Biodegradable polypropylene and polyethylene.
9. Adoption of tape plant temperature setting (Extruder) in reverse direction and modified Chilling Plant line for getting low water temperature in water tank of Tape Plant. As a result, getting high strength in table, which is helping in final weight control and thus reducing cost of production.
10. Formation of FIBC production line in new pattern to reduce cost of manpower.

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.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

This year the Company keeps on importing technically upgraded machines for its product and performance.

Company is making various ongoing efforts for technological Upgradation viz Upgradation in field of ultrasonic cutting machine, sealing machine, development of new master batches, nano technology and plastic recycling technology.

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.

FOR AND ON BEHALF OF THE BOARD

ANNEXURE B TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

As your Company's shares are not listed on any stock exchange, the provisions of the listing agreement, including those relating to corporate governance, are not applicable. However, in line with your Company's commitment to values and ethical business conduct, the Board of Directors of your Company had evolved and adopted a code of conduct based on the principles of good corporate governance

II. Board of Directors

Currently, our 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, our Company has one executive director and six non-executive directors of whom three are independent directors.

During the financial year 2010-11, the meetings of the board of Directors were convened 10 (Ten) times. The meetings were held on 30.06.2010, 14.07.201, 09.09.2010, 20.10.2010, 10.11.2010, 09.12.2010, 07.01.2011, 20.01.2011, 24.02.2011 and 24.03.2011. In the financial year Board consist of the following:

Name & Designation of the Directors	Category	Date of Appointment
Mr. Manish Kalani Managing Director	Managing Director	01.04.2009
Mr. Anirudh Sonpal Additional Director	Chairman and Independent Director	09.12.2010
Mr. Pawan Kumar Jain Director	Non Executive Director	14.01.2002
Mr. Ravindra Chourasiya Director	Non Executive Director	18.03.2006
Mr. Kevan John Upperdine Director	Independent Director	18.11.2006
Mr. Sharat Anand Director	Independent Director	08.04.2008
Mr. Aswini Sahoo Nominee Director	Non Executive Director (Nominee Director of Clearwater Capital Partners (Cyprus) Limited)	20.01.2010

Company has paid sitting fees of Rs. 18000.00 to non-executive/ independent directors for attending the board meetings during the period under review.

III. Audit Committee

As a measure for good Corporate Governance the Audit committee was constituted on March 18, 2006 and was reconstituted on December 9, 2010. All the members have the financial and accounting knowledge. The Audit Committee is comprised as under:

S. No.	Name	Position
1	Mr. Sharat Anand	Chairman
2	Anirudh Sonpal	Member
3	Mr. Pawan Kumar Jain	Member
4	Mr. Dinesh Kumar Sharma	Secretary

Audit committee met 1(One) time as on 26th June, 2010 during the financial year. During the Year Audit Committee handled matters relating to the following:

1. Audited financial results for the year ended 31st March 2010.

The Audit Committee has adequate powers and detailed terms of reference to play effective role.

IV. Executive Committee

For general execution of documents relating to the various activities relating to expansion, lease etc and to provide assistance to board in day-to-day documentations, executive committee was constituted on December 20, 2007. The committee duly met 5 (Five) times as on 15th May, 2010, 30th June, 2010, 31st August, 2010, 19th October, 2010 and 9th December, 2010.

On 9th December, 2010 the committee was dissolved.

V. Management Committee

Management committee was constituted on December 20, 2007 and was reconstituted on December 9, 2010 to assist the Board in handling matters related to procurement and management of fund for existing and future projects of the Company. Committee duly met 10 (Ten) times in this financial year as on 30th June, 2010, 12th July, 2010, 29th July, 2010, 20th September, 2010, 27th September, 2010, 9th November, 2010, 8th December, 2010, 31st December, 2010, 25th January, 2011 and 24th February, 2011. The Management Committee is comprised as under:

S. No.	Name	Position
1	Mr. Sharat Anand	Chairman
2	Mr. Manish Kalani	Member
3	Mr. Pawan Kumar Jain	Member
4	Mr. Ravindra Chourasiya	Member
5	Mr. Dinesh Kumar Sharma	Secretary

VI. Share Transfer cum Investor Grievances

The Company has a share transfer and investor grievance committee was constituted on March 18, 2006 and was reconstituted on December 9, 2010. The Share transfer cum Investor Grievance Committee is comprised as under:

S. No.	Name	Position
1	Mr. Sharat Anand	Chairman
2	Mr. Anirudh Sonpal	Member
3	Mr. Pawan Kumar Jain	Member
4	Mr. Dinesh Kumar Sharma	Secretary

There were no investor grievances during the year. Committee duly met 1 (One) time in this financial year as on 23rd February, 2011.

VII. IPO COMMITTEE

IPO committee was constituted on July 14, 2010 and was reconstituted on December 9, 2010 to assist the Board in handling matters related to proposed public issue of the Company. Committee duly met 4 (Four) times in this financial year as on 9th September, 2010, 10th October, 2010, 9th December, 2010 and 7th January, 2011. The IPO Committee is comprised as under:

S. No.	Name	Position
1	Mr. Sharat Anand	Chairman
2	Mr. Anirudh Sonpal	Member
3	Mr. Pawan Kumar Jain	Member
4	Mr. Aswini Sahoo	Member
5	Mr. Dinesh Kumar Sharma	Secretary

VIII. SELECTION COMMITTEE

The Selection IPO committee was constituted on March 12, 2010 and was reconstituted on December 9, 2010 to **analyse and decides role & responsibilities and to recommend the appointment of key managerial personnel in the Company.** The Selection Committee is comprised as under:

S. No.	Name	Position
1	Mr. Sharat Anand	Chairman
2	Mr. Anirudh Sonpal	Member
3	Mr. Kevan John Upperdine	Member
4	Mr. Dinesh Kumar Sharma	Secretary

IX. Extra Ordinary General Meetings

Year	Date	Venue of the meeting
2008-09	NIL	NIL
2009-10	NIL	NIL
2010-11	04.08.2010	Indore
	08.12.2010	Pithampur
	07.01.2011	Pithampur
	01.02.2011	Pithampur
	25.02.2011	Pithampur

X. General Shareholders' Information**Annual General Meeting**

Date : 30th September, 2011

Day : Friday

Time : 11:00 A.M.

Venue : Registered Office

XI. Capital Structure

As on 31.03.2011, your Company had a total Authorised Share Capital of Rs. 250,000,000 (Rupees Twenty Five Crores only) divided into 25,000,000 (Two Crores Fifty Lacs) equity shares of Rs. 10 (Rupees Ten). The Shareholding pattern of your Company as on 31.03.2011 was as follows.

Category	Total % Shareholding as on 31.03.2011
Director / Relative	0.11
Foreign	32.61
Body Corporate	65.99
Other Individuals	1.29
Public Shareholding	Nil
Non Institutional	Nil
Public Financial Institution	Nil
TOTAL	100

FOR AND ON BEHALF OF THE BOARD

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, 2011 and also the Profit and Loss account for the year ended on March 31, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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 case of the balance sheet, of the state of affairs of the Company as at March 31, 2011.
 - b) in case of the profit and loss account, of the profit for the year ended March 31, 2011.

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

Place : Indore

Dated : 18.6.2011

(Abhay Singi)
Partner
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
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, VAT, cess and other material statutory dues applicable to it.
- (b) According to the records of the Company, the dues outstanding of taxes on account of any dispute are as follows:

Name of the statute	Nature of dues	Demand (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.	2.66	1.33	A.Y.2005-06	CIT (A)
Income Tax Act	Departmental Appeal against penalty order decided in Company's favor by ITAT	-NA-	-NA-	A.Y.2003-04	M.P. HIGH COURT
Income Tax Act	Departmental Appeal against deduction allowed under Section 80 IB in Company's favor by ITAT	-NA-	-NA-	A.Y.2003-04	M.P.HIGH COURT
Income Tax Act	Departmental Appeal against appeal allowed by ITAT in case of Investment made by certain companies in Equity Capital of Company	-NA-	-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)
Income Tax TDS	Short Deduction of TDS and Interest thereon	1.58	Nil	A.Y.2009-10	CIT (A)
M.P. Commercial Tax Act, 1994	Difference in sales tax exemption caping calculation	0.02	0.00	F.Y. 2005-06	The Appellate Board, M.P. Tax Tribunal Bhopal
Central Sales Tax Act, 1956	Difference in sales tax exemption caping calculation	1.96	0.55	F.Y. 2005-06	The Appellate Board, M.P. Tax Tribunal Bhopal
M.P. Entry Tax Act, 1976	Tax imposed on Job Work for SEZ unit	1.68	0.47	F.Y. 2007-08	The Appellate Board, M.P. Tax Tribunal Bhopal

- (x) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has given corporate guarantee on behalf of Entertainment World Developers Limited, Mumbai for Rs.4.55 million to State bank of India, Commercial Branch, , Indore., and on behalf of M/s Satguru Polyfab Private Limited, Gandhidham for Rs.60.00 million to State Bank of Patiala, Orbit Mall Branch, A.B.Road, Indore, and on behalf of Nanofil Technologies Pvt.Ltd., Kashipur for Rs.0.20 million to Governor of Uttarakhand, which are not prima facie prejudicial to the interest of the company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) On the examination of books of accounts and the information and explanations given to us, in our opinion the funds raised on short term basis have not been used for long term investment and vice versa;
- (xviii) During the year, the Company has not made any allotment of preferential shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) 92 Nos. of Zero Percent Fully Convertible Debentures of Rs. 5.00 million each issued to M/s Clearwater Capital Partners (Cyprus) Limited, Cyprus are converted into 44,86,492 equity shares during the year;
- (xx) The company has not raised any money by public issues during the year;
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Indore

Dated : 18.6.2011

(Abhay Singi)
Partner
Membership No 079873

FLEXITUFF INTERNATIONAL LIMITED

Regd. Office : 2nd FLOOR OF MAIN BUILDING, 19, R.N.MUKHERJEE ROAD, KOLKATA

BALANCE SHEET AS AT 31st MARCH 2011

Amount (Rs. In Million)

SR NO	PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010	
I.	SOURCES OF FUNDS				
1	SHARE HOLDERS FUNDS:				
a)	Share Capital	1	172.12	115.23	
b)	Share Warrants		0.00	6.30	
c)	Share / Warrants Application Money		0.00	69.58	
			<u>172.12</u>	<u>191.12</u>	
d)	Reserve & Surplus	2	1465.61	657.58	848.70
2	Deferred Tax Liability			177.63	134.37
3	Zero % Fully Convertible Debentures			0.00	460.00
4	LOAN FUNDS :				
a)	Secured Loans	3	2872.41	2224.13	
b)	Unsecured Loans	4	19.00	0.00	2224.13
	Total		<u>4706.77</u>	<u>3667.20</u>	
II	APPLICATION OF FUNDS				
1	FIXED ASSETS :	5			
a)	Gross Block		2902.89	2650.30	
b)	Less : Depreciation		386.88	255.92	
c)	Net Block		<u>2516.01</u>	<u>2394.38</u>	
d)	Add: Capital Work in Progress		714.25	339.89	2734.26
2	INVESTMENTS	6		104.72	28.84
3	CURRENT ASSETS, LOANS & ADVANCES				
a)	Inventories	7	961.75	618.67	
b)	Sundry Debtors	8	1194.78	500.21	
c)	Cash & Bank Balances	9	122.27	134.08	
d)	Loans & Advances	10	387.58	347.35	
			<u>2666.38</u>	<u>1600.32</u>	
	Less :CURRENT LIABILITIES & PROVISIONS	11			
a)	Current Liabilities		1269.91	682.98	
b)	Provisions		34.17	13.26	
	NET CURRENT ASSETS :			1362.30	904.09
4	MISCELLANEOUS EXPENDITURE				
	Share Issue Expenses (To the Extent not written off or adjusted)			9.49	0.00
	Total		<u>4706.77</u>	<u>3667.20</u>	
	Accounting Policies & Notes on Accounts	20			
	Quantitative and Other information	21			

The Schedule referred to herein form an integral part of the accounts.

As per our report of even date attached

Signature of Schedule 1 to 21

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

(**Abhay Singi**)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

Amount (Rs. In Million)

SR NO	PARTICULARS	SCHEDULE	CURRENT FINANCIAL YEAR ENDED ON 31.03.2011	PREVIOUS FINANCIAL YEAR ENDED ON 31.03.2010
I. INCOME :				
	Sales & Receipts	12	4890.80	3011.09
	Other Income	13	12.88	7.98
	Increase (+) / Decrease (-) in Stock	14	244.37	202.51
	Total		5148.05	3221.58
II. EXPENDITURE :				
	Raw Material Consumed & Purchases	15	2929.45	1796.40
	Manufacturing Expenses	16	992.75	696.30
	Administration Expenses	17	179.80	125.28
	Selling Expenses	18	356.69	167.42
	Total		4458.69	2785.41
III. Profit (+)/Loss (-) before Interest & Depreciation (PBIDT)				
	Interest & Financial Charges	19	244.87	202.94
	Depreciation		131.00	111.24
	Amortisation Expenses		0.25	0.25
IV. Profit (+) / Loss (-) before Tax (PBT)				
	Provision for Taxation :			
	- for Income Tax		14.06	0.00
	- for Wealth tax		0.04	0.05
	- Mat Credit Entitlement for Ass.Yr. 2011-12		-14.06	0.00
	- for Deferred Tax		43.26	52.65
			43.30	52.71
V. Profit (+) / Loss (-) after Tax (PAT)				
			269.94	69.02
VI. Prior Period Adjustments :				
	a. Mat Credit Entitlement for Ass.Yr. 2009-10		-5.79	0.00
	b. Income Tax Provision no longer required A.Y. 2009-10		0.00	-1.11
	c. Income Tax Provision earlier year		0.53	0.00
	d. Loss on Sale of Investments		0.84	0.00
	e. Earlier years depreciation written back		0.00	-4.91
			-4.42	-6.02
VII. Net Profit (+) / Loss (-) for the year				
	Balance brought forward from Previous Year		274.36	75.05
			234.09	182.25
VIII. Profit Available for Appropriations:				
Appropriations :				
	a. Proposed Dividend		17.21	11.33
	b. Dividend Distribution Tax		2.86	1.88
	c. Transfer to General Reserve Account		0.00	10.00
	d. Transfer to SEZ Re-Investment Allowance Reserve		113.34	23.21
			133.41	0.00
IX. Balance Carried to Balance Sheet				
Earning per share				
	Basic (Rs.)		21.69	6.63
	Diluted (Rs.)		16.40	4.91
X. Accounting Policies & Notes on Accounts				
		20		
XI. Quantitative and Other information				
		21		

The Schedule referred to herein form an integral part of the accounts.

As per our report of even date attached

Signature of Schedule 1 to 21

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

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

Amount (Rs. In Million)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE -1 : SHARE CAPITAL		
AUTHORISED :		
2,50,00,000 Equity Shares of Rs 10/- each	250.00	200.00
Total	250.00	200.00
a) ISSUED, SUBSCRIBED, CALLED & PAID UP :		
1,72,12,110 Equity Shares of Rs.10/-each fully pd up (Out of above during the period 10,68,000 share warrants converted into same number of equity shares and 44,86,492 shares of Rs. 10/- each allotted to clearwater capital partners (cyprus) ltd., pursuant to conversion of 92 nos of zero percent fully convertible debentures of Rs. 50,00,000/- each) (Previous year 1,15,23,430 Equity Shares of Rs.10/ each fully paid up)	172.12	115.23
Total	172.12	115.23
b) SHARE WARRANTS (Previous year 10,68,000 Warrants - 5% Adv. Rs. 5.90 Paid up)	0.00	6.30
c) SHARE / WARRANTS APPLICATION MONEY	0.00	69.58
SCHEDULE -2 : RESERVE & SURPLUS		
i) Share Premium Account		
Opening Balance	282.99	260.42
Add : Addition during the year	550.61	22.57
Less : Utilization during the year	0.00	0.00
Closing Balance	833.60	282.99
ii) General Reserve Account	140.50	140.50
iii) SEZ Re-Investment Allowance Reserve	113.34	0.00
iv) Foreign Currency Exchange Fluctuation Resrve	3.13	0.00
v) Profit & Loss Account		
Opening Balance	234.09	182.25
Add : Addition during the year	274.36	75.05
Less : Utilization during the year	133.41	23.21
Closing Balance	375.04	234.09
Total	1465.61	657.58
SCHEDULE -3 : SECURED LOANS		
(A) CASH CREDIT LOAN		
i) UCO Bank, Pipliyahana Branch, Indore		
- Cash Credit Loan (SEZ Unit)	233.18	105.24
- Cash Credit Loan (Kashipur Unit)	0.00	63.50
- Export Packing Credit (SEZ Unit)	199.77	28.83
- E.P.C. (SEZ Unit) (New Gold Card)	37.16	0.00
- Export Packing Credit (Kashipur Unit)	0.00	63.55
Add : Interest Accrued & Due on CC/EPC	2.24	0.00
ii) Punjab National Bank, Siyaganj, Indore		
- Cash Credit Loan	101.07	62.56
- Export Packing Credit	197.17	239.49
iii) Central Bank of India, Siyaganj, Indore		
- Cash Credit Loan (DTA Unit)	3.22	3.23
- Cash Credit Loan (Kashipur Unit)	14.05	15.72
- Export Packing Credit	5.50	4.10
iv) State Bank of India, Commercial Branch, Indore		
- Cash Credit Loan	14.51	-4.90
- Export Packing Credit	57.43	49.01
v) State Bank of India, Pithampur Branch		
- Cash Credit Loan	0.88	4.94
vi) State Bank of Patiala, Orbit Mall, Indore		
- Cash Credit Loan	20.67	12.08
- Export Packing Credit	0.00	14.00
vii) Axis Bank Ltd., Y.N. Road, Indore		
- Cash Credit Loan	36.33	0.00
- Export Packing Credit	111.01	0.00
viii) The HSBC Race Course Road Indore		
- Cash Credit Loan	1.30	0.46
Total (A) c/f	1035.49	661.80

Amount (Rs. In Million)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
(B) TERM LOANS :				
1 FROM BANKS:				
a. Rupee Currency Loan (RCL)				
i) UCO Bank, Pipliyahana Branch, Indore		102.95		146.64
ii) Axis Bank Ltd., Y.N. Road, Indore		200.00		0.00
iii) Punjab National Bank, Siyaganj, Indore		0.00		12.40
iv) Central Bank of India, Siyaganj, Indore		0.00		1.17
Total (a)		302.95		160.22
b. Term Loans For Kashipur Projects				
Term Loan for Phase-I :				
i) - UCO Bank Ltd., Pipliyahana Branch, Indore		355.52		420.61
ii) - State Bank of India, Comm. Branch, Indore		150.59		183.95
iii) - Central Bank of India Siyaganj Branch, Indore		96.11		108.41
iv) - Punjab National Bank, Siyaganj Branch, Indore		14.85	617.07	242.35
Term Loan for Phase-II :				
i) - UCO Bank Ltd., Pipliyahana Branch, Indore		212.38		136.95
ii) - State Bank of India, IF Branch, Indore		101.20		95.84
iii) - State Bank of Patiala, Orbit Mall, Indore		111.18		4.46
iv) - Punjab National Bank		117.96	542.72	0.00
Uco Bank, R & D Loan			155.87	120.00
Total (b)		1315.66		1312.56
c. Foreign Currency Loan (FCL)				
- HSBC, Race Course Road, Indore		14.54		40.39
- Punjab National Bank, Siyaganj Branch, Indore		177.83	192.37	0.00
Total (c)			192.37	40.39
d. Vehicle Loan				
i) From ICICI Bank, Indore		0.85		1.35
ii) From HDFC Bank, Indore		0.51	1.36	0.87
Total (d)			1.36	2.23
TOTAL FROM BANKS(B=a+b+c+d)		1812.34		1515.39
2 FROM FINANCIAL INSTITUTIONS:				
i) MPFC Capital Market		24.39		46.59
(A Div. of M.P. Financial Corporation, Indore)				
Add: Interest Accrued & Due		0.19	24.58	0.35
Total (C)			24.58	46.94
Total (A+B+C)		2872.41		2224.13

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.
- 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 the loans and working capital facilities are further secured by Personal Guarantee of Shri Manish Kalani and corporate guarantee of M/S Kalani Industries Pvt. Ltd.

SCHEDULE -4 : UNSECURED LOANS

Inter Corporate Deposits:

i) From Companies		19.00		0.00
Total		19.00		0.00

SCHEDULE :5 - FIXED ASSETS

Amount (Rs. In Million)

Sr. No	Name of the Assets	Rate of Dep.	GROSS BLOCK				DEPRECIATION				NET BLOCK		
			As on 01.04.10	Addition	Deduction	As on 31.03.11	As on 01.04.10	Written Back	Amortisation	For the Year	As on 31.03.11	As on 31.03.11	As on 01.04.10
1	Land (Lease Hold)	0.00%	24.75	0	0	24.75	1.71	0	0.26	0	1.97	22.78	23.04
2	Land (Free Hold)	0.00%	111.08	0	0	111.08	0	0	0	0	0	111.08	111.08
3	Factory Building	3.34%	516.14	26.57	0	542.71	45.02	0	0	17.36	62.38	480.33	471.12
4	Plant & Machinery	5.28%	1829.68	212.07	0	2041.75	180.50	0	0	102.77	283.27	1758.48	1649.18
5	Electric Installation	5.28%	98.23	5.76	0	103.99	11.51	0	0	5.27	16.78	87.21	86.72
6	Furniture & Fixtures	6.33%	24.87	2.19	0	27.06	4.55	0	0	1.59	6.14	20.92	20.32
7	Office Equipments	4.75%	21.99	4.80	0	26.79	4.02	0	0	1.07	5.09	21.70	17.97
8	Vehicles - Cars	9.50%	13.89	0.13	0.86	13.16	3.86	0.29	0	1.33	4.90	8.26	10.03
9	Vehicles - Others	9.50%	0.19	0.04	0	0.23	0.16	0	0	0.01	0.17	0.06	0.03
10	Computer	16.21%	8.82	1.80	0	10.62	4.50	0	0	1.52	6.02	4.60	4.32
11	Patent	1/10th	0.66	0.09	0	0.75	0.09	0	0	0.07	0.16	0.59	0.57
Total			2650.30	253.45	0.86	2902.89	255.92	0.29	0.26	130.99	386.88	2516.01	2394.38

Amount (Rs. In Million)

PARTICULARS

AS AT 31.03.2011

AS AT 31.03.2010

SCHEDULE -6 : INVESTMENTS

In Subsidiary : un quoted (at Cost)

i)	In Eco Polymer Ltd., Dhaka (Bangladesh) (Wholly Owned Subsidiary of the company) (Previous year 6000 Equity Shares of 100 Taka each fully paid up)	0.00	0.35
ii)	In Flexiglobal Holdings Ltd.,Cyprus (Wholly Owned Subsidiary of the company) (10,00,000 Equity Shares of Euro 1/- each partly paid up)	12.52	6.32
iii)	In 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
iv)	In 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) Advance against transfer of Shares	92.10	17.03
		0.00	19.57
		92.10	2.54
In Mutual Fund : quoted (at Cost)			
v)	In SBI Magnum Umbrella -Growth Fund (Previous year 45,045.045 Unit @ Rs. 55.50 each Unit)	0.00	2.50
	Total	104.72	28.84

SCHEDULE -7 : INVENTORIES

i)	Raw materials		177.53	143.48
ii)	a) Finished Goods	244.58		153.83
	b) Semi-Finished Goods	385.49		225.59
	c) Waste / Scrap	13.26		20.07
	d) Moulded Articles	0.07		0.00
	e) Stock at Indore Depot.	0.46	643.86	0.00
iii)	Store & Spares parts		138.33	73.67
iv)	Loose Tools / Paintings Art Gallery		2.03	2.03
	Total		961.75	618.67

SCHEDULE-8 : SUNDRY DEBTORS

(Unsecured, Considered Good)

i)	Over Six months	155.81	16.74
ii)	Others	1038.97	483.47
	Total	1194.78	500.21

Amount (Rs. In Million)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE-9 :CASH & BANK BALANCES				
i) Cash in Hand		1.68		2.36
ii) Balance with Scheduled Banks:				
a) - In Current Accounts	14.25		78.97	
b) - In Margin Money Deposit Accounts	106.34	120.59	52.75	131.72
Total		122.27		134.08
SCHEDULE-10 :LOANS & ADVANCES				
(Unsecured, Considered Good)				
i) Advance against Supplies & Expenses		220.77		278.63
ii) Advance to Staff & Workers		9.94		8.27
iii) Advance recoverable in cash or in kind or value to be received		13.98		14.19
iv) Sundry Deposits		17.35		14.46
v) Eco Polymers Ltd., Bangladesh (Wholly Owned Subsidiary of the company)		0.00		0.92
vi) Flexiglobal Holding Ltd., Cyprus (Wholly Owned Subsidiary of the company)		0.31		0.31
vii) Other Advances / Receivables		98.81		11.91
viii) Tax Deducted at Source		2.71		2.03
ix) Balance With Excise Authorities		23.71		16.63
Total		387.58		347.35
SCHEDULE-11 : CURRENT LIABILITIES & PROVISIONS				
A) Current Liabilities				
i) Sundry Creditors	891.38		504.10	
ii) Creditors for Capital Goods	114.20		73.46	
iii) Other Liabilities	257.53		99.31	
iv) Tax Payable	6.80	1269.91	6.11	682.98
B) Provisions				
i) For Income Tax		14.06		0.00
ii) For Wealth Tax		0.04		0.05
iii) For Proposed Dividend	17.21		11.33	
iv) For Dividend Tax	2.86	20.07	1.88	13.21
Total		1304.08		696.24

PARTICULARS	Amount (Rs. In Million)	
	CURRENT FINANCIAL YEAR ENDED ON 31.03.2011	PREVIOUS FINANCIAL YEAR ENDED ON 31.03.2010
SCHEDULE-12 : SALES & RECEIPTS		
i) Export Sales	3637.61	2182.89
ii) Domestic Sales & Receipts	1253.19	828.20
Total	4890.80	3011.09
SCHEDULE-13 : OTHER INCOME		
i) Profit on sale of Investment (Mutual Fund)	0.04	0.00
ii) Profit on sale of granules & scrap	1.14	0.85
iii) Interest Received	6.19	3.69
TDS Rs. 0.51 (Previous Year Rs. 0.58)		
iv) Other Receipts	5.51	3.45
TDS Rs. 0.15 (Previous Year Rs. 0.4)		
Total	12.88	7.98
SCHEDULE-14 : INCREASE/DECREASE IN STOCK		
i) Finished Goods & Work in Progress		
a) Finished	244.58	153.83
b) Semi Finished	385.49	225.59
c) Waste/Scrap	13.26	20.07
d) Moulding Articles	0.07	0.00
e) Stock at Indore Depot.	0.46	0.00
	643.86	0.00
ii) Less : Opening Stock		
a) Finished	153.83	91.32
b) Semi Finished	225.59	101.66
c) Waste/Scrap	20.07	4.01
	399.49	196.99
Total	244.37	202.51
SCHEDULE-15 : RAW MATERIAL CONSUMED & PURCHASES		
i) Raw Material Consumed :-		
Opening Stock	143.48	94.02
Add : Purchase during the year (Net)	3208.08	1793.73
Sub Total	3351.56	1887.75
Less : Sales / Transfer	554.07	115.36
Less : Closing Stock	177.53	143.48
Raw Material Consumed (Net)	2619.96	1628.90
ii) Purchase of Liner, Rope, Belt, Thread, Waste etc.	0.05	2.17
iii) Purchase of Sheet, Cylinder, Bopp film & Ink	83.17	0.00
iv) Purchase of Fabric	18.96	1.49
v) Purchase for Woven Sacks	4.29	1.81
vi) Purchase of Geo Textile/Moulding Articles & sheet (Trading)	5.24	0.00
vii) Stores Consumed	197.78	128.91
viii) Stock obtained during trial run	0.00	33.12
Total	2929.45	1796.40

PARTICULARS	Amount (Rs. In Million)	
	CURRENT FINANCIAL YEAR ENDED ON 31.03.2011	PREVIOUS FINANCIAL YEAR ENDED ON 31.03.2010
SCHEDULE-16 : MANUFACTURING EXPENSES	223.72	156.58
i) Power & Fuel	7.40	2.91
ii) Rent, Rates and Taxes		39.90
iii) Labour Cost :	66.60	52.87
a) Jobwork expenses	72.56	320.57
b) Labour charges	475.25	27.22
c) Factory Salary & Wages and Bonus	38.06	440.56
d) Provident Fund & ESI Contribution	652.47	64.98
iv) Repairs to Machinery	60.40	24.42
v) Freight Inward	35.24	5.35
vi) Entry Tax	11.93	0.27
vii) Laboratory and R & D Expenses	0.00	1.24
viii) Factory Expenses	1.59	
Total	992.75	696.30
SCHEDULE-17 : ADMINISTRATIVE EXPENSES	83.73	57.21
i) Administrative Salaries & Allowances	22.38	18.88
ii) Staff & Workmen Welfare Expenses	3.67	2.73
iii) Repairs & Maintenance	11.16	9.82
iv) Courier & Telephone Expenses	6.10	4.27
v) Vehicle Running Expenses	5.21	4.62
vi) Insurance Charges	1.62	1.16
vii) Rent for Office / Guest House	24.07	10.72
viii) Legal and Professional Fees	21.86	15.88
ix) Miscellaneous Expenses	179.80	125.28
Total	179.80	125.28
SCHEDULE-18 : SELLING EXPENSES	266.51	131.82
i) Freight & Carriage Outward	0.02	0.02
ii) Travelling Expenses:	18.10	7.63
a) Directors	18.12	7.65
b) Staff	0.04	0.40
iii) Advt., Newspaper & Periodicals	2.23	2.63
iv) Inspection Charges	5.33	4.18
v) ECGC Premium	0.02	0.00
vi) Tender Fees & Form Expenses	0.59	0.48
vii) Rebate & Discount on Sale:	0.21	0.65
a) Domestic Sale	5.87	1.14
b) Export sale		2.71
viii) Business Promotion Expenses	0.58	0.06
ix) Commission on Sales:	2.00	4.25
a) Domestic Sale	0.01	4.31
b) Export sale	55.18	0.00
x) Octroi Duty		12.57
xi) Value Added Tax/Commercial Tax/CST	356.69	167.42
Total	356.69	167.42
SCHEDULE-19 : INTEREST & FINANCIAL CHARGES	104.74	113.11
i) Interest on Term Loan	76.48	28.09
ii) Interest on Working Capital	6.65	7.44
iii) Other Finance Charges and Interest	35.59	31.42
iv) Bills Discounting Charges	32.62	22.90
v) Bank Commission & Charges	-11.21	0.00
vi) Foreign Exchange Fluctuation (M to M)	244.87	202.94
Total	244.87	202.94

SCHEDULE 20 :**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31st 2011.****SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF ACCOUNTING:**

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

2. REVENUE RECOGNITION

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

3. FIXED ASSETS.

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

4. DEPRECIATION / AMORTIZATION

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

5. EMPLOYEE BENEFITS

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

6. 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.

7. VALUATION OF INVENTORY

- a) Inventories are valued at historical cost and net realisable value whichever is lower. Historical cost is determined on FIFO / Weighted Average basis on relevant categories of Inventories and net realizable value, after providing for obsolete, slow moving and defective Inventories, wherever necessary on a consistent basis.
- b) Cost of raw materials includes duties net of Cenvat Credit available. Finished goods exclude "excise duty" thereon.

8. RETIREMENT BENEFIT

- a) Contribution to Provident Fund is recognized in the accounts on actual liabilities basis.
- b) Provision / contribution to Gratuity Funds are made on the basis of actuarial valuation certificate from a registered actuary.

9. FOREIGN CURRENCY TRANSACTIONS

- a) All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions.
- b) Monetary assets & liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain/loss is recognized in the financial statements.
- c) Exchange difference are either adjusted in the cost of imported fixed assets or dealt with in the profit & loss account, depending upon the nature of the transaction.
- d) The company uses foreign currency forward contracts/options to hedge its actual underlying exposure and not for trading or speculation purpose to movement in foreign currency rates. The use of these forward contracts/options reduces the risk and/or cost to the company. Exchange difference on such contracts is recognized in the reporting period in which exchange rates change.

10. TAXES ON INCOME

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

The deferred Tax Liability comprise of the following:

Amount (Rs. in million)

(A) Deferred Tax Liability	As at 31st March 2011	As at 31st March 2010
Net Block as per books	2493.23	2260.26
Net Block as per Income Tax	1705.04	1624.28
Less : Differences reversing during tax holiday period	53.82	54.15
Timing Difference	734.37	581.83
Deferred tax liabilities @ 33.22% on the timing difference	243.96	179.79
Opening Balance	185.79	121.76
Deferred Tax Liability Created	58.17	64.03
Closing Balance (A)	243.96	185.79
(B) Deferred Tax Assets		
Opening Balance	51.42	40.04
Deferred Tax Assets created	14.91	11.38
Cumulative Deferred Tax Assets (B)	66.33	51.42
Net Deferred Tax Liability (A-B)	177.63	134.37

11. IMPAIRMENT OF FIXED ASSETS :

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

12. REPLENISHMENT :

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

13. OTHERS :

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

NOTES ON ACCOUNTS**A. CONTINGENT LIABILITIES NOT PROVIDED FOR:**

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 8.47 million (Previous Year Rs. 20.19 million)
- ii. Guarantee given by Bank on behalf of the Company for Rs.30.38 million (Previous year Rs.25.60 million)
- iii. Outstanding liabilities on account of letter of credit for Rs.53.05 million (Previous year Rs. 37.70 million).
- iv. Foreign Bills Discounted with Bank Rs.77.95 million (Previous year Rs. 153.58 million).
- v. Forward purchase contracts remaining outstanding equivalent to Euro 0.47 million and GBP 1.19 million against export sales (Previous year NIL). The marked to market profit of Rs.11.21 million (Previous year Nil) 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 & Excise Department	Entertainment World Developers Limited, Mumbai	Rs.4.55 million (Previous Year Rs.4.55 million)
2	State Bank of Patiala	Satguru Polyfab Pvt. Ltd., Gandhidham	Rs.60.00 million (Previous Year Rs.60.00 million)
3	Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd., Kashipur	Rs.0.20 million (Previous Year Nil)

- vii. Outstanding of Taxes on account of disputes are as follows-

The company filed appeal before CIT(A)/ITAT and contested the disputed Income Tax demand for the A.Y. 2004-05 and 2005-06 for Rs.7.00 million & Rs.2.66 million respectively and also contested disputed of TDS demand for the A.Y.2005-06 to 2007-08 Rs.0.71 million, A.Y.2009-10 Rs.1.58 million and also contested disputed of M.P.Sales Tax demand for Rs. 0.02 million & Central Sales Tax demand for Rs. 1.96 million for the A.Y 2005-06 and Entry Tax demand for Rs. 1.68 million for the A.Y 2007-08 as per legal opinion obtained.

- 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.

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. To company with the requirement of the Micro, Small and Medium Enterprises Development Act 2006, the company requested its suppliers to confirm whether they are covered as Micro, Small or Medium enterprises as is defined in the said Act. Based on the confirmation received, the Company has recognized them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and there is no default in payment to such enterprises as specified in the said Act, However, the amounts outstanding as well as interest applicable are insignificant and hence not separately discounted.

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. 274.36 million (Previous year Rs.75.05 million) 17212110 Equity Share (Previous year 11523430 Equity Shares)
(b) Weighted average number of equity Shares outstanding during the year	12650765 Equity Shares (Previous year 11325882 Equity shares)
(c) Effects of potential dilutive equity share	4078354 Equity Shares
(d) Weighted average number of equity in computing diluted earning per share	16729119 Equity Shares (Previous year 15287464 Equity Shares)
(e) Earning per share: - Basic [(a)/(b)]	Rs. 21.69 (Previous year Rs.6.63)
- Diluted [(a)/(d)]	Rs. 16.40 (Previous year Rs.4.91)

E. Out of 15,00,000 warrants issued to M/s. Kalani Industries Private Limited Indore on 10th January, 2008 @ Rs.118/- per warrant, 10,68,000 warrants (previous year 4,32,000 warrants) have been converted into equivalent number of fully paid-up equity shares during the year on receipt of unpaid amount.

F. 92 Nos. of Zero Percent Fully Convertible Debentures of Rs. 5.0 million each issued to M/s Clearwater Capital Partners (Cyprus) Limited, Cyprus are converted into 4486492 equity shares @102.53 per share during the year.

G. During the period the Company has booked the amount of interest subsidy of Rs.11.07 million (Previous year 23.31 million) and the same has been credited in interest paid on term loan account.

H. Capital Work in Progress

The Implementation programme for Phase II is under progress. The Capital Work-in-Progress as on 31.03.2011 includes the following :

Amount (Rs. in million)

PARTICULARS	As On 31.03.2011	As On 31.03.2010
Land at Kashipur unit for Phase-II	49.19	49.19
Factory Building	109.70	31.83
Plant & Machinery	358.09	83.66
Electrical Installation	38.13	5.96
Furniture and Fixtures	4.83	3.40
Computer and Accessories	3.30	2.51
Pre-operative Expenses (represent Interest on Term Loan) (Pending allocation on completion of the project)	44.34	3.87
Advance to Capital Goods Supplier	106.68	159.46
TOTAL	714.25	339.89

I. Segment Information (AS-17)

The Company is principally engaged in the business of Manufacturing of HD/PP Woven sacks and FIBC/Jumbo Bags. Accordingly there is no reportable segment as per Accounting Standard No. 17 issued by Institute of Chartered Accountant of India on segment reporting.

J. Related Party Disclosure (AS-18)

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

Amount (Rs. in million)

	Subsidiaries	Associates	Relatives of Key Management Personnel	Total
Sale of Goods	101.57	18.31		119.88
Purchases of Goods	132.61	0.25		132.85
Rendering of services	2.97			2.97
Receiving of services	13.70	0.72	1.39	15.81
Finance	192.01			192.01
Equity Contribution		115.34		115.34

Note:

Names of related parties and description of relationship:

- | | |
|--|---|
| 1. Subsidiaries | (i) Satguru Polyfab Pvt. Ltd., Gandhidham- Subsidiary
(ii) Flexiglobal Holdings Ltd., Cyprus- Wholly Owned Subsidiary
(iii) Nanofil Technologies Pvt. Ltd.- Wholly Owned Subsidiary |
| 2. Associates | (i) Kalani Industries Pvt. Ltd.
(ii) Entertainment World Developers Limited,
(iii) Sunrise Properties Pvt. Ltd. |
| 3. Key Management Personnel | Mr. Manish Kalani |
| 4. Relatives of Key Management Personnel | Mr. Saurabh Kalani |

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

As per our report of even date attached

Signature of Schedule 1 to 21

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

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

SCHEDULE 21 :
Quantitative & Other informations pertaining to manufacturing activities for the year ended 31.03.2011
(Information pursuant to the provisions of Part-II of Schedule VI of the Companies Act,1956.)

PARTICULARS	Quantity	Value (Rs.in million)
(A) Turnover		
Bags	103975761 Nos (76300875) Nos	4384.13 * (2843.10) *
Fabrics	3070246 Kgs (1519731) Kgs	}
P.P.Compound/Thermoforming Product/Other	1960693 Kgs (461745) Kgs	
Liner, Thread & Belts etc.	57427 Kgs (16425) Kgs	
Waste & Reprocessed Granual	2286516 Kgs (1739988) Kgs	
Job Work Receipts		
		3.76 (1.83)
*Amount Net of Excise Duty and exclusive of Export Incentive overall effect of Rs.14.95 million (Rs. 7.80 million)		
(B) Raw Material Consumed		
Plastic Granules	40519.437 MT (27485.552) MT	2619.96 (1628.90)
Fabric & BOPP Film	776.954 MT (49.100) MT	106.47 (5.47)
(C) Purchases & Sales (Trading activity)		
Purchased : - Bags /Moulded Items	92.232 MT (NIL) MT	5.24 (NIL)
Plastic Granual /Agglomerates	11579.767 MT (3319.640) MT	734.69 (166.01)
Sold : - Bags /Moulded Items	96.770 MT (NIL) MT	5.91 (NIL)
Plastic Granual /Agglomerates	11579.767 MT (3319.640) MT	750.34 (166.86)
(D) Op. & Cl. Stock of Finished Goods		
a. Opening Stock -		
- Bags	4916971 Nos. (1329859) Nos.	136.62 (91.32)
- P.P.Compound/Thermoforming Product/Other	259154 Kgs. (NIL)	17.20 (NIL)
b. Closing Stock		
- Bags	9975953 Nos. (4916971) Nos.	224.11 (136.62)
- P.P.Compound/Thermoforming Product/Other	273418 Kgs (259154) Kgs	20.47 (17.20)
(E) Installed Capacity	41000 MT (39000) MT	
(F) Production	37188.511 MT (24936.317) MT	
(G) Job Work Done	151.760 MT (65.548) MT	
(H) Value of Material Imported (CIF)		224.95 (408.49)
(I) Expenditure in Foreign Currency		
i) for Travelling		5.52 (4.06)
ii) for Machinery & Spares		146.31

	Value(Rs)	Imported (%)	Value(Rs)	Indigenous (%)
(J) Value of imported and indigenous material consumed and percentage of total consumption				
i) Raw Material	215.79 (378.49)	8.24% (23.24%)	2404.17 (1250.41)	91.76% (76.76%)
ii) Stores	27.92 (36.97)	14.12% (28.68%)	169.86 (91.94)	85.88% (71.32%)
(K) Earning in Foreign Exchange Export Sales (F.O.B)		3329.35		(2042.02)
(L) Payment to Auditors				
i) Audit Fees		0.43		(0.04)
ii) Tax Audit Fees		0.03		(0.02)
iii) For Other Work		0.04		(0.01)
		<u>0.49</u>		<u>(0.06)</u>
(M) Meeting Fees Paid to Directors		0.02		(0.01)

Figures given in brackets are pertaining to previous year

As per our report of even date attached

Signature of Schedule 1 to 21

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

(Abhay Singi)
Partner
Membership No. 079873

Place : Indore
Date : 18.6.2011

Ajay Mundra
Chief Financial Officer

Dinesh Kumar Sharma
Company Secretary

Manish Kalani
Managing Director

Pawan Jain
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

Amount (Rs. In Million)

	2010-11	2009-10
A) Cash Flow From Operating Activity		
Net Profit before tax	313.24	121.73
Adjustment for :		
Depreciation & Amortisation	131.25	111.49
Loss on Sale of Assets	0.17	0.44
Foreign Currency Exchange Fluctuation Reserve	3.13	0.00
	447.79	233.66
Interest & Financial Charges	256.08	202.94
Operating Profit before Working Capital changes	703.87	436.61
Adjustment for :		
Trade Receivable	-694.57	-278.77
Inventories	-343.08	-263.39
Other Assets	-40.23	-95.28
Current Liabilities	601.37	201.27
	227.37	0.44
Cash from Operating Activity	227.37	0.44
Direct Taxes Paid (net)	-5.79	-5.92
Net Cash from Operating Activity (A)	221.58	-5.47
B) Cash Flow from Investing Activity		
Purchase of Fixed Assets / CWIP	-627.53	-579.93
Proceeds from sale of Fixed Assets	0.40	1.75
Investment	-75.88	-11.39
	-703.00	-589.58
C) Cash Flow from Financing Activity		
Equity Share Issued/Share Warrants/Share Premium	71.61	92.93
Proceeds from Long Term Borrowing	293.60	250.00
Proceeds from Short Term Borrowing	373.69	467.57
Payment of Dividends	-13.21	0.00
Payment of Interest & Financial Charges	-256.08	-202.94
	469.61	607.56
Net Cash used in Financing Activity (C)	469.61	607.56
Net Increase in Cash & Cash Equivalents (A+B+C)	-11.81	12.51
Opening Balance in Cash & Cash Equivalents	134.08	121.58
Closing Balance in Cash & Cash Equivalents	122.27	134.08

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.

As per our report of even date attached

Signature of Schedule 1 to 21

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

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

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

I Registration Details

Registration No.	111382	State Code	21
Balance Sheet Date	31/03/2011		

II Capital Raised During the Year (Amount in Rs.Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement (Share Warrant Converted)	134765

III Position of Mobilization and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	<u>4706781</u>	Total Assets	<u>4706781</u>
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SOURCES OF FUNDS

Paid-up Capital	172121
Secured Loans	2872412
Reserves & Surplus	1465616
Deferred Tax	177632
Unsecured Loan	19000

APPLICATION OF FUNDS

Net Fixed Assets	3230255
Net Current Assets	1362314
Investment	104720
Miscellaneous Expenditure	9492

IV Performance of Company (Amount in Rs.Thousands)

Turnover	5148052	Total Expenditure	4834808
Profit / Loss Before Tax	313244	Profit / Loss After Tax	274365
Earning Per Share	21.69	Dividend Rate %	10%

V Generic Names of Three Principal Products (As per monetary terms)

Item Code No.	39232990, 63053200
(ITC Code)	

Product Description	HDPE/PP Woven Sacks & Jumbo / BOPP Bags
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As per our report of even date attached

Signature of Schedule 1 to 21

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

(Abhay Singi)
Partner
Membership No. 079873

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956,
RELATING TO THE INTEREST IN THE SUBSIDIARY COMPANIES**

1.	Name of the subsidiary company	Flexiglobal Holdings Ltd.
2.	The financial year of the subsidiary company ended on	31st March, 2011
3.	Date from which it became subsidiary	22nd September, 2008
4.	(a) No. of share held by Flexituff International Ltd. (Holding Company) in subsidiary company	1000000 Equity Shares of Euro 1/-each partly paid
	(b) Extent of interest of Holding Company at the end of the financial year of the subsidiary company	100%
5.	Net aggregate amount, so far as it concerns the member of Flexituff International Ltd. and is not dealt with in the Company account, of the Subsidiary's profit;	
	(a) Profit/(loss) for the Subsidiary's financial year	Nil
	(b) Profit/(loss) for the previous financial year of subsidiary since it became the Subsidiary of Flexituff International Ltd.	Nil
6.	Net aggregate amount of the Profit of the subsidiary after deducting its losses or vice versa:	
	(a) For the financial year or years of Subsidiary aforesaid	Nil
	(b) For the previous financial years since it became the subsidiary of Flexituff International Ltd.	Nil

For and on behalf of the Board of Directors

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956,
RELATING TO THE INTEREST IN THE SUBSIDIARY COMPANIES**

1.	Name of the subsidiary company	Satguru Polyfab Pvt.Ltd.
2.	The financial year of the subsidiary company ended on	31st March, 2011
3.	Date from which it became subsidiary	24th October. 2008
4.	(a) No. of share held by Flexituff International Ltd. (Holding Company) in subsidiary company	9000000 Equity Shares of Rs.10/-each fully paid up
	(b) Extent of interest of Holding Company at the end of the financial year of the subsidiary company	78.60%
5.	Net aggregate amount, so far as it concerns the member of Flexituff International Ltd. and is not dealt with in the Company account, of the Subsidiary's profit;	
	(a) Profit/(loss) for the Subsidiary's financial year	Nil
	(b) Profit/(loss) for the previous financial year of subsidiary since it became the Subsidiary of Flexituff International Ltd.	Nil
6.	Net aggregate amount of the Profit of the subsidiary after deducting its losses or vice versa:	
	(a) For the financial year or years of Subsidiary aforesaid	Nil
	(b) For the previous financial years since it became the subsidiary of Flexituff International Ltd.	Nil

For and on behalf of the Board of Directors

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956,
RELATING TO THE INTEREST IN THE SUBSIDIARY COMPANIES**

1.	Name of the subsidiary company	Nanofil Technologies Pvt. Ltd.
2.	The financial year of the subsidiary company ended on	31st March, 2011
3.	Date from which it became subsidiary	15th December, 2009
4.	(a) No. of share held by Flexituff International Ltd. (Holding Company) in subsidiary company	10000 Equity Shares of Rupee 10/-each fully paid
	(b) Extent of interest of Holding Company at the end of the financial year of the subsidiary company	100%
5.	Net aggregate amount, so far as it concerns the member of Flexituff International Ltd. and is not dealt with in the Company account, of the Subsidiary's profit;	
	(a) Profit/(loss) for the Subsidiary's financial year	Nil
	(b) Profit/(loss) for the previous financial year of subsidiary since it became the Subsidiary of Flexituff International Ltd.	Nil
6.	Net aggregate amount of the Profit of the subsidiary after deducting its losses or vice versa:	
	(a) For the financial year or years of Subsidiary aforesaid	Nil
	(b) For the previous financial years since it became the subsidiary of Flexituff International Ltd.	Nil

For and on behalf of the Board of Directors

Ajay Mundra
Chief Financial Officer

Manish Kalani
Managing Director

Place : Indore
Date : 18.6.2011

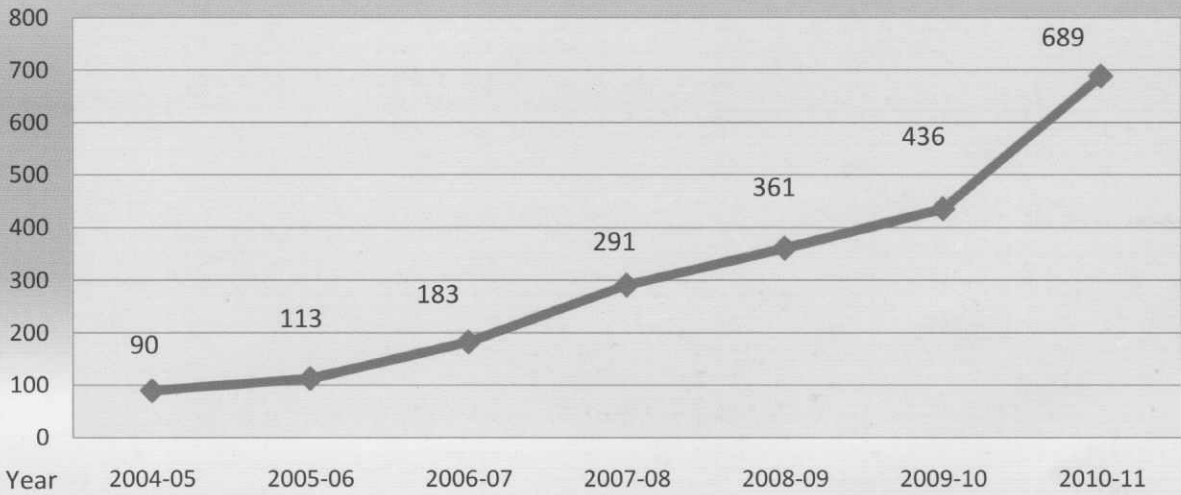
Dinesh Kumar Sharma
Company Secretary

Pawan Jain
Director

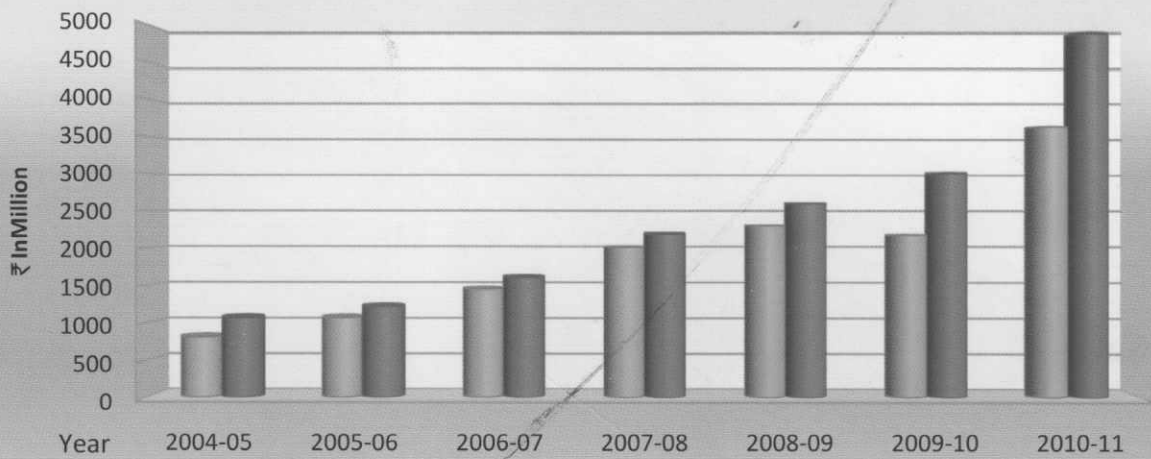
EBIDTA

₹ In Million

◆ EBIDTA



REVENUE



	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
EXPORT SALE	820	1075	1457	2018	2313	2182	3638
TOTAL SALE	1074	1229	1614	2202	2607	3011	4891



Registered Office : 2nd Floor of Main Building, 19 R. N. Mukherjee Road, Kolkata-700 001 (W.B.)
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