



Flexituff International Limited
 C 41-50, SEZ, Sector-3
 Pithampur - 454 775, Distt. Dhar (M.P.) India
 Phone : 91-7292-420200, 401681-82-83
 Fax : 91-7292-401684
 Email : mail@flexituff.com url : www.flexituff.com

Date: September 1, 2015

FORM A

Covering letter of the audit report filed with the stock exchange

1	Name of the Company	Flexituff International Ltd
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit qualification	No audit qualification
4	Frequency of qualification	N.A.
	Signed by	
	Whole Time Director	<p>For Flexituff International Ltd.</p>  Director
	Auditor of the Company	<p>For, L.K. Maheshwari & Co. Chartered Accountants F.R.No. - 000780G</p>  (L.K. Maheshwari & Co.) (Abhay Singi) Partner M.No. 079873
	Audit Committee Chairman	 (Sharat Anand)

Regd. Office: C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.)-454775
 CIN: L25202MP1993PLC034616

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF THE MEMBERS OF FLEXITUFF INTERNATIONAL LIMITED WILL BE HELD ON 30TH DAY OF SEPTEMBER, 2015 AT 10:00 A.M. AT THE *REGISTERED OFFICE OF THE COMPANY AT C41-50, SEZ, SECTOR -3, PITHAMPUR, DIST. DHAR (M.P.) 454775, TO TRANSACT THE FOLLOWING BUSINESSES: -

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March 2015 and the reports of the Board of Directors' and the Auditor's thereon.
2. To declare final dividend on equity shares of the Company, if any.
3. To appoint a director in place of Mr. D.K. Sharma, (DIN 00028152) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, the Company hereby ratifies the appointment of M/s L.K. Maheshwari & Co., Chartered Accountants, (Firm Registration No. 000780C), (who were appointed as Statutory Auditors of the Company for a period of 3 years, to hold office from conclusion of 21st Annual General Meeting till the conclusion of 24th Annual General Meeting) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors of the Company, M/s MZSK & Associates, Chartered Accountants (Firm Registration No. 105047W), be and are hereby appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting and that the Board of Directors be and are hereby authorized to fix remuneration in consultation with the auditors."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT Mrs. Alka Sagar, (DIN 07138477), who was appointed as an Additional Director by the Board of Directors at its meeting held on 31st March, 2015, who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 proposing her candidature for directorship of the Company, 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 to do needful to give effect to this resolution."

By Order of the Board
Sd/-

Rishabh Kumar Jain
Company Secretary

Place: Pithampur

Dated: 1st September 2015

***Change in Registered Office of the Company has been approved by Regional Director, Kolkata and same has been taken on record by Registrar of Companies, Gwalior on 28th August, 2015.**

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
3. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to special businesses to be transacted at the meeting, is annexed hereto.
4. The Ministry of Corporate Affairs (MCA) has taken a Green initiative in the Corporate Governance by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode.
5. Members / Proxies are requested to:
 - (i) Members are requested to bring their attendance slip duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
 - (ii) The register of members and share transfer books of the company will remain closed from 23rd September, 2015 to 30th September, 2015 (both days inclusive) for payment of final dividend, if declared at the Meeting.
 - (iii) Members whose shareholding is in the electronic mode are requested to inform change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

Notice (Contd.)

- (iv) All documents referred to in the Notice and registers maintained under the Companies Act, 2013 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.
 - (v) Dividend, if declared, will be paid to those members whose names appear in the Register of Members on 30th September, 2015. In respect of shares held in dematerialized form in the depository system will be paid to the beneficial owners as per details provide by the depositories for the purpose, at the end of business on 30th September, 2015. In case of shareholders holding shares in physical mode, the instruments of transfer shall be lodged with the Registrar and Transfer Agent so as to reach them on or before 22nd September, 2015.
 - (vi) The Company has transferred all unpaid/ unclaimed equity dividends up to the financial year 2005-06 to the Investor Education & Protection Fund (IEPF) established by the Central government pursuant to section 205C of the Company Act, 1956 (Section 125 of Companies Act, 2013) and there are no outstanding amount of unclaimed / unpaid dividend amount for the Financial Year from 2006-07 to 2010-11 and 2012-13. Members are advised to claim their unpaid dividend for the year 2011-12 and 2013-14 if any.
 - (vii) Details under clause 49 of the Listing Agreement with the stock exchange in respect of the directors seeking appointment/ reappointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/ reappointment.
 - (viii) Electronic copy of the Annual Report for the Financial Year 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2014-15 is being sent in permitted mode.
 - (ix) Members may also note that the notice of the 22nd Annual General Meeting and the Annual Report for the Financial Year 2014-15 will also be available on the Company's website www.flexituff.com for their download.
 - (x) Pursuant to Section 113 of the Companies Act, 2013 corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the relevant Board Resolution together with their specimen signature authorizing their representative to attend and vote in their behalf at the Meeting.
 - (xi) 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 the information can be made available at the meeting.
 - (xii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
6. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and in compliance with the provisions of clause 35B of the Listing Agreement, the Company is offering remote e-voting facility to all the shareholders of the Company in respect of items to be transacted at the Annual General Meeting and in this regard, the Company has engaged Central Depository Services (India) Ltd., to provide remote e-voting facility.
7. (I) Instructions and other information relating to remote e-voting are as under:
- (i) The voting period begins on 25th September, 2015 at 10.00 A.M. and ends on 29th September, 2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter 29th September, 2015.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Flexituff International Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Notice (Contd.)

- (xx) The remote e-voting period commence on 25th September, 2015 (10.00A.M) and ends on 29th September, 2015 (5.00p.m.). The remote e-voting module shall be disabled by CDSL for voting thereafter and the facility will be blocked forthwith. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 23rd September, 2015 may cast their electronically. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Member who have cast their vote electronically shall not be allowed to vote again at the meeting.
- (xxi) Any Person who has acquired shares and become member of the Company after the dispatch of the Notice of the Annual General Meeting but before the cut-off date of 23rd September, 2015, may obtain their user ID and password for remote evoting from Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., Mumbai, Phone No. 022-25963838 or CDSL at helpdesk.evoting@cdslindia.com and can also request for physical copy of Annual Report from the Company by writing to Company secretary at cs@flexituff.com.

- (xxii) Members who have cast their vote through remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the venue of the meeting, members who have not cast their votes through remote voting may cast their votes through ballot paper/ polling paper. The facility for voting by electronic voting system shall not be made available at the AGM of the Company.
- (xxiii) The Board of Directors has appointed M/S. Ritesh Gupta and Co., (Practising Company Secretary) Indore as Scrutinizer to scrutnize the e-voting process in a fair and transparent manner.
- (xxiv) Persons whose names are recorded in the register of members maintained by registrar as on cut-off date i.e., 23rd September, 2015 shall only avail the facility of remote e-voting or voting through ballot paper/polling paper at the venue of the meeting.

In case you have any queries or issues regarding e-voting, members are requested to contact:

1. Mr. Rishabh Kumar Jain,
(Company Secretary)
Email: cs@flexituff.com,
Contact No. 07292-420200
2. Mr. Mehboob Lakhani,
Email: helpdesk.evoting@cdslindia.com,
evoting@flexituff.co.in.
Contact No. 022-2272-5040

By Order of the Board
Sd/-
Rishabh Kumar Jain
Company Secretary

Place: Pithampur
Dated: 1st September 2015

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 6**

Mrs. Alka Sagar (DIN 07138477) was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 31st March, 2015. The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1.00 Lac, proposing the candidature of Mrs. Alka Sagar for the office of Director. Your Directors recommend for appointment of Mrs. Alka Sagar as regular director, who shall be liable to retire by rotation, by passing the resolution as an Ordinary Resolution.

Further Mrs. Alka Sagar does not hold any shares in the Company.

No director, Key Managerial Personnel or their relatives, except Mrs. Alka Sagar, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members as an Ordinary Resolution.

S. No	Name of Director	Age	Qualification	Date of Appointment	Expertise	Other Directorships (Excluding Pvt. Companies) as on 31st March, 2015	Chairman / Member of the Committees as on 31st March, 2015
1.	Mr. D.K. Sharma	39 years	B.com, FCS, LLB (Hons)	12th August, 2014	He is a fellow member of the Institute of Company Secretaries of India. He has more than 15 years of experience in strategic corporate matters, IPO, private placement, listing, FEMA, corporate restructuring like merger & amalgamation etc.	NIL	Member of Audit Committee and Management Committee of the Company
2	Mrs. Alka Sagar	36 years	LLB	31st March, 2015	Mrs. Alka Sagar is a law graduate and an advocate by profession. She has experience of around 9 years as private practitioner and a court lawyer.	NIL	Member of CSR Committee of the Company.

Note: None of the directors hold any shares in the share capital of the Company.

Place: Pithampur
Dated: 1st September 2015

Attachments:

1. Route map
2. Proxy form and attendance slip

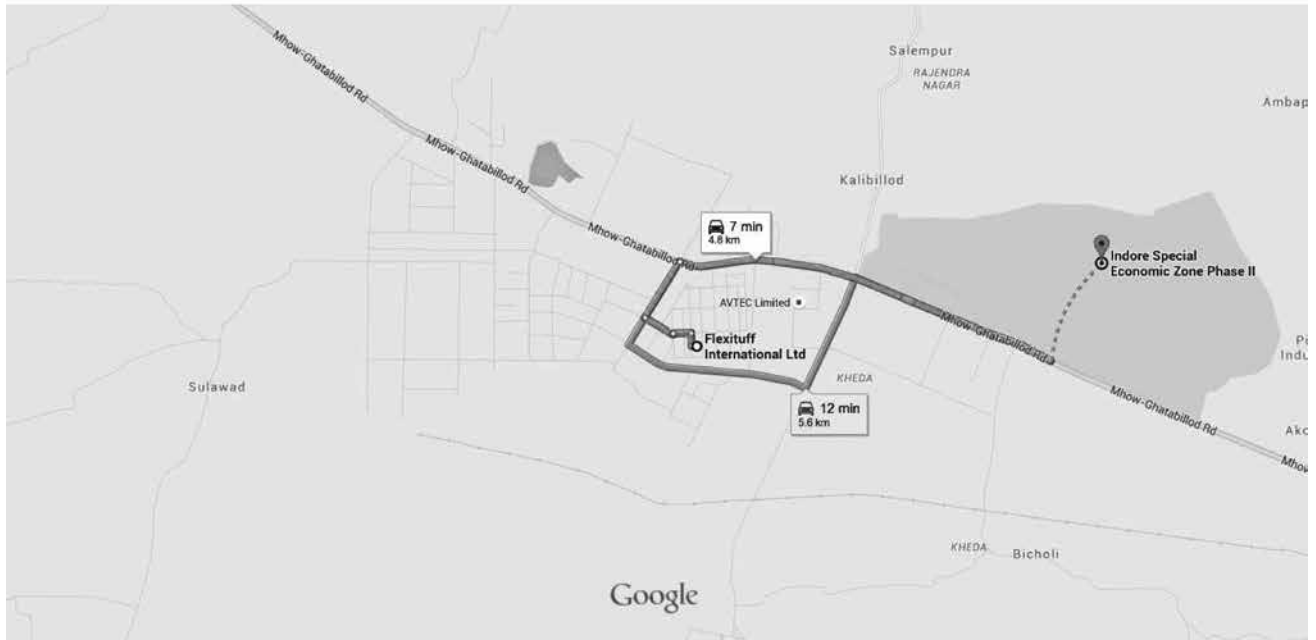
By Order of the Board
Sd/-
Rishabh Kumar Jain
Company Secretary



Google

Flexituff International Ltd to Indore Special Economic Zone Phase II

Drive 4.8 km, 7 min



Map data ©2015 Google 1 km

via Mhow-Ghatabillod Rd **7 min**
7 min without traffic · 4.8 km

Details

via Sagore Kuti Rd and Mhow-Ghatabillod Rd 12 min



PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

FLEXITUFF INTERNATIONAL LIMITED

CIN:L25202MP1993PLC034616

Regd. Office: C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775

Name of the Member(s):	
Registered address:	
Email Id:	
Folio No./ Client Id:	
DP Id:	

I/We being the member(s) of shares of the above named Company hereby appoint:

- (1) Name
Address
Email ID or failing him/her
- (2) Name
Address
Email ID or failing him/her
- (3) Name
Address
Email ID or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2015 at 10.00 A.M. at C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775, and at any adjournment thereof.

At WITNESS my/our hand (s) this day of 2015.

Revenue
Stamp of
Rs. 1/-

Signed by the said

* Applicable for investors holding shares in electronic form.

Note: The proxy must be / returned so as to reach at C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775 India not less than FORTY EIGHT HOURS before the time of holding the aforesaid meeting.



FLEXITUFF INTERNATIONAL LIMITED

CIN:L25202MP1993PLC034616

Regd. Office: C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775

ATTENDANCE SLIP

(to be present at the entrance)

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

ANNUAL GENERAL MEETING – 30th September, 2015

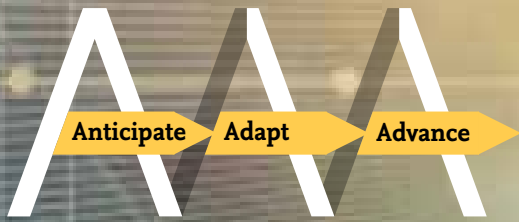
I/ We hereby record my/our presence at the 22nd Annual General Meeting of the Company at C41-50, SEZ, Sector-3, Pithampur, Dist. Dhar (M.P.) 454775, held on 30th September, 2015.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTERANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Member's/ Proxy's Signature

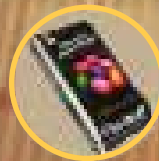
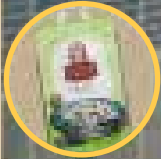
* Applicable for investors holding shares in electronic form

Revenue
Stamp of
Rs. 1/-



Flexituff International Limited

Annual Report 2014-15





FORWARD LOOKING STATEMENT

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

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



WHAT IS INSIDE

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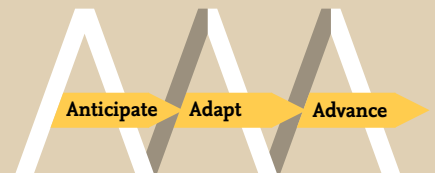
Financial Section

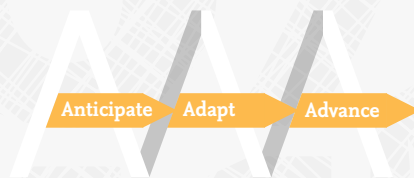
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www.flexituff.com

Anticipate. Adapt. Advance focuses on Management's Anticipation about the industrial growth and its proactive measures towards capitalizing the same. Over the years the Company has strengthened their product mix, expanded global presence and developed client portfolio. Today, the Company is all set to advance further in its growth trajectory by capitalizing upon the industrial opportunities.





It has been an eventful
journey for the Company...
...that dared to dream
and aspired to achieve.

Innovative approach, robust business model and the ability to understand customer requirements has enabled the Company to evolve amongst the World's largest FIBC manufacturer.

With continuous R&D and the ability to anticipate the industrial opportunities, the Company is advancing towards transforming from a commodity-centric business to margin-rich technical textiles segment. This will further allow the Company to strengthen its product mix and enhance its global reach.

The ability to foresee combined with the capacity to adapt has paved the way for the Company to advance to the next level of growth.

Anticipate

Adapt

Advance

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global Economy

The year 2014-15 witnessed a the global economy growing at a modest rate of 3.4%, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Besides, there was a stress on major oil producing countries as a direct result of sharp decline in energy prices, especially in the second half of the year. US economy recovered quite stronger than expected, while performance in Japan and Eurozone felt short of expectations resulting in dollar appreciations. The currencies of commodity exporting countries weakened due to fiscal and trade imbalances. It also increased risk spreads in the emerging markets, making them vulnerable to global shocks.

Despite unpredictable headwinds, the global economic recovery is gaining momentum. These winds of positive change have masked the growth divergence among major economies. According to IMF estimates, global growth is projected to reach 3.5% and 3.7 % in 2015 and 2016, respectively. Growth in the advanced economies and emerging markets is expected to remain moderate.

Indian Economy

The Indian economy is on track to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, benign commodity prices combined with structural reforms and strong Government Mandate to boost investments. India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies. According to a UN Survey, Indian economy is pegged to grow at 8.1% in 2015-16

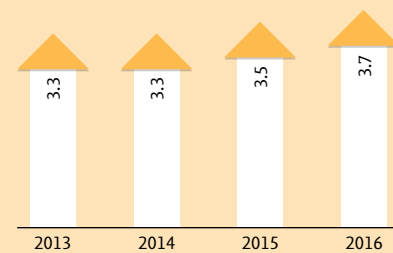
INDUSTRIAL REVIEW

Technical Textile Industry Overview

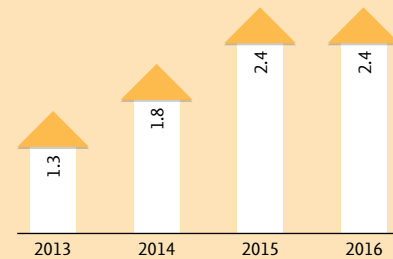
Overview

Technical textiles refer to textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. The segment encompasses diverse products and applications; based on product characteristics, functional requirements and end-user applications;

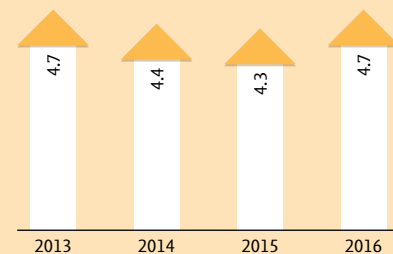
GROWTH RATES



GLOBAL ECONOMY



ADVANCED ECONOMIES



EMERGING MARKETS & DEVELOPING ECONOMIES

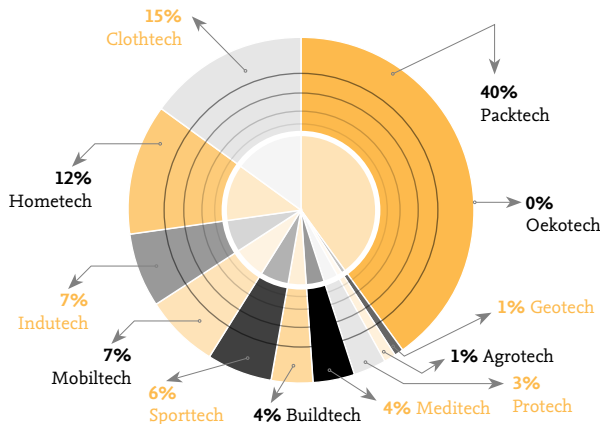
(Source: IMF – World Economic Update)

Indian Technical Textile Industry

India is emerging as a significant player in technical textiles. The fast-paced economic growth leading to infrastructure creation as well as higher disposable income has made India a key market for the technical textile products. Moreover, the country has developed a foothold in the production of technical textiles owing to its skilled and technical manpower as well as abundant availability of raw material.

Technical textiles are an important part of the textile industry and India is all set to leverage the untapped potential of this industry. With the increase in disposable income, the consumption of technical textiles is expected to rise steadily. Based on past trends of growth and estimated end user segment growth, the Working Group on Technical Textiles for 12th Five Year Plan (FYP) projected the market size to reach INR 1,58,540 crore by 2016-17 at a year-on-year growth rate of 20% during the 12th Five Year Plan.

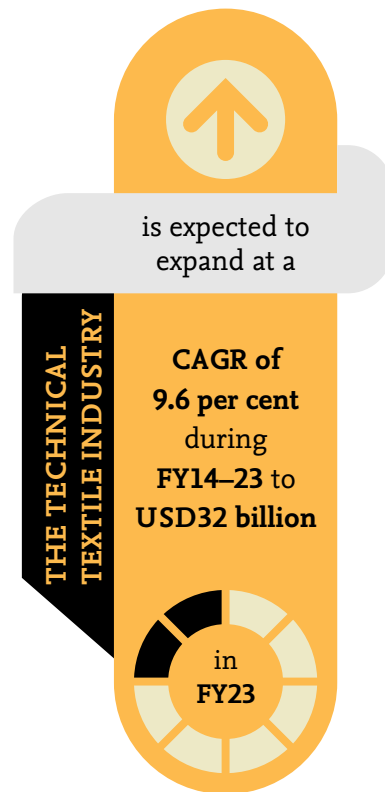
SEGMENTATION OF INDIAN TECHNICAL TEXTILE INDUSTRY



(Source: Ministry of Textiles)

GOVERNMENT SUPPORT

The government has supported the technical textile industry with an allotment of **USD1 billion** for SMEs and an exemption in custom duty for raw materials used by the sector. It further plans to launch a **USD 44.2 million** mission for the promotion of technical textiles, and cleared plans to set up a new research centre for the industry.



APPLICATIONS OF TECHNICAL TEXTILES

- Agriculture, horticulture & forestry
- Building and construction
- Technical components of shoes & clothing
- Geo textiles and civil engineering
- Components of furniture, household textiles & floor coverings
- Filtration, cleaning & other industrial usage
- Hygiene and medical
- Automobiles, shipping, railways & aerospace
- Environmental protection
- Packaging
- Personal and property protection
- Sport and leisure

Management Discussion and Analysis (Contd.)

SEGMENTAL GROWTH DRIVERS

Flexituff International Ltd is world's second largest FIBC (Flexible intermediate bulk container) manufacturing company and the largest FIBC and Geo-Textile manufacturer in India. Besides, it also manufactures Reverse Printed BOPP (Biaxially Oriented Polypropylene) Woven Bags (~50% market share in India), Special PP (Polypropylene) Bags including Leno Bags, Polymer Compounds and Drippers. The Company augurs to benefit out of the growth anticipated in the related industries.

GEO TEXTILES

The global geotextiles market is anticipated to grow at a CAGR of 10.3% between 2012-18 and reach USD 6.4 bn by 2018. Nonwoven, major type of geotextiles, accounted for around 65% of the market in 2013, followed by Woven & other geotextile product types. Geotextiles are a relatively new area in India. Considering the infrastructural development boom over the next ten years, India will become one of the largest markets for geosynthetics and technical fabrics globally.

USD 6.4 bn

SIZE OF GLOBAL GEOTEXTILES MARKET BY 2018

FIBC

The Indian FIBC industry has off lately grown rapidly making it world's second largest producer of FIBC. During 2014, the FIBC exports grew around 77% and 43% in value and volume respectively. Indian FIBC exports to USA and UK grew 61% and 54% respectively, despite economic slowdown. Going ahead, the Indian FIBC industry is expected to maintain positive growth from both international as well as domestic industries. Internationally, the FIBC industry is estimated to demonstrate firm growth driven by acceptability and increase in usage by the pharmaceutical and food industry. The domestic market is further envisaged to receive a boost from agriculture, mineral, petrochemical industries and various industrial markets.

77%

GROWTH IN FICB EXPORTS IN 2014

REVERSE-PRINTED BOPP WOVEN BAGS

Reverse-printed BOPP-woven bags are extensively used in the packaging of products marketed in retail chains, supermarkets

and commercial establishments. This product segment is set to grow at a steady pace in the Indian markets on the back of growing consumerism catalysed by a young and working population, urbanisation, rising incomes, favorable demographics and growing brand orientation. The Indian retail market (estimated at USD520 billion) is expected to grow at a CAGR of 13% to around USD950 billion by 2018. Correspondingly, organised retail is expected to grow from 7.5% of all retail offtake in India to around 10% by 2018, strengthening the offtake of BOPP-woven bags.

USD 950 bn

SIZE OF INDIAN RETAIL MARKET BY 2018

POLYMER COMPOUND

Compounding has found mass use in the manufacture of different plastic grades - a quick, easy and low-cost alternative over discovering new grades. With the increasing usage of plastics in automobiles, consumer packaging and government spending on infrastructure, India's plastics industry is set to double its per capita consumption over the next five years. India's plastics industry is further poised to benefit from increasing per capita incomes, consumerism and modernisation, particularly in urban areas. As such, the demand for polymers is expected to jump from 11 million tonnes in 2012-13 to 16.5 million tonnes by 2016-17, resulting in consumption rising at 10.8% CAGR.

10.8%

CAGR OF POLYMER CONSUMPTION
BETWEEN 2012-13 AND 2016-17

DRIP IRRIGATION

Drip irrigation is an alternative to flood irrigation and is now being increasingly accepted in the Indian agricultural space. It irrigates more than 600,000 hectares in India, thereby enhancing agricultural yields. There has been a growth in drip irrigation area in the last 15 years to around 3.51 lac hectares, from 40 hectares in 1960. Large areas of agricultural land has been brought under drip irrigation in Maharashtra, Karnataka and Tamil Nadu. The National Committee on Plasticulture Applications in Horticulture (NCPAH), Ministry of Agriculture, and Government of India (GOI) has estimated an area of 27 mn hectares where drip irrigation can be implemented.

27 Mn hectares

AGRICULTURAL LAND IN INDIA THAT CAN BE BROUGHT UNDER DRIP IRRIGATION

COMPANY REVIEW

Major developments in 2014-15

- Improved focussed on proprietary products like barrier-force, geo-tube, 3D geo mattress and composite geo bags
- Added several prestigious clients from USA, Egypt, Germany, Belgium and Austria
- Completed geo project and commercial production started with an Installed capacity of 16300MT
- Awarded contracts worth Rs. 90 Crore from the Assam Government for 3-D Geo Mattress / Geo Bags
- Bagged prestigious ABD Tender worth Rs. 5 crore for Geo Bags
- Introduced barrier forces for the Sikkim Government (land slide barrier), Bhutan BRO (buttress wall), NHC – Eastern Region (river embankment) and Assam WRD (Coffer Dam)
- Bagged ICL Chemical Global Tender worth USD 3 Million per annum for supply of FIBCs to Europe, USA, Brazil, Mexico and Israel

Road Ahead

The Company is on a growth trajectory on the back of India's infrastructural development as well as extensive growth in the organized retail sector. Besides, company's increasing focus on research-based product development is yielding good acceptance from the international markets. Hence, the Company stands to gain from both domestic as well as international orders.

RISK REVIEW

Government Policy: Large part of Company's revenues is driven through exports. Any changes in government policies related to export taxes or the industry can impact the Company adversely.

Foreign Currency Exposure: The Company has large foreign currency exposure which may lead to erosion of margins in the event of unfavourable currency movement.

Quality: The Company provides its product to reputed customers across the world. Any compromise in quality may impact Company's credibility in the long run.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company's internal control systems are adequate and ensure that all corporate policies are strictly adhered to and that transparency is maintained at all levels and functions throughout the organisation. A system of checks and balances has been put in place encompassing all levels to ensure optimum usage of resources and to minimise risks across all activities undertaken by the Company. The internal control systems are designed to ensure the safeguarding of all assets of the Company and to ensure that all transactions are carried out as per the documented policies, guidelines and procedures.

FINANCIAL REVIEW

The standalone financials witnessed the following results during the year:

- Revenue from operations increased 7.94% from Rs 1,095.19 million in 2013-14 to Rs 1,182.12 in 2014-15
- Earnings before interest, tax, depreciation and amortisation (EBITDA) increase 4.67% from Rs 1,205.72 million in 2013-14 to Rs 1262.00 in 2014-15
- Profit after tax (PAT) increased 2.73% from Rs 183.04 million in 2013-14 to Rs 188.00 in 2014-15
- Net worth increased 4.04% from Rs 3,641.96 million in 2013-14 to Rs 3,789.26 in 2014-15

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The information supposed to come under the above heading has been specifically dealt with in the Director's Report under the heading 'Human Resource Management'. Industrial relations remained cordial during the year under review.

As of 31st March 2015, there are approx 7,500 members employed in the Company.

DIRECTORS' REPORT

To,
The Members,
Flexituff International Limited

The Board of Directors presents its Twenty Second Directors' Report on Company's business and operations together with the Audited Financial Statements for the financial year ended 31st March 2015

FINANCIAL RESULTS AND APPROPRIATION

(Rs. in Millions)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sales & other Incomes	10571.63	9756.86	11821.16	10951.93
Profit before Interest, Depreciation & Tax	1242.98	1126.09	1261.99	1205.72
Profit before Tax	120.56	300.56	114.37	359.63
Profit for the year / Balance available for Appropriation	197.62	127.70	188.04	183.04
Less: Appropriation				
Proposed dividend on equity shares & tax	29.11	26.70	29.11	26.70
Surplus carried to Balance Sheet	168.51	101.00	158.93	156.33

1. STATE OF COMPANY'S AFFAIRS

During the period under review, on standalone basis, total revenue for the financial year 2014-15 at Rs. 10571.63 Million was higher against the total revenue of Rs. 9756.86 Millions in the previous year 2013-14. Company's profit before interest, depreciation and tax for the financial year 2014-15 stood at Rs. 1242.98 Million against Rs. 1126.09 Million in the previous year 2013-14.

On Consolidated basis, total revenue for the financial year 2014-15 at Rs. 11821.16 Million was higher against the total revenue of Rs. 10951.93 Million in the previous year 2013-14. The profit before interest, depreciation and tax was Rs. 1261.99 Million against that of Rs. 1205.72 Million in the previous year.

2. DIVIDEND

Your Board is pleased to recommend a final dividend of 10% on the equity share capital of the Company i.e. Rs. 1/-per equity share for the financial year 2014-15. The dividend, if approved by the shareholders in the Annual General Meeting, will be paid to the members within the time period stipulated by the Act.

During the year, no amount was transferred to General Reserves.

3. SHARE CAPITAL

The paid up equity share capital of the Company as on 31st March, 2015 was Rs. 24.88 Crore. During the year under review, the Company has not issued any sweat equity shares nor granted any Stock Options.

4. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered

under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

5. CREDIT RATING FOR BANKING FACILITIES

During the year under review, M/s. India Rating and Research Private Limited (Fitch Group) on the basis of audited financial statements of 31st March 2015, has assigned "IND A-" rating for long term debts and "IND A2+" for short term debts, which indicates "stable" outlook regarding timely servicing of financial obligations and is one notch above the previous year's rating.

6. AWARDS & CERTIFICATIONS

During the year British Retail Consortium Certificate (BRC), ISO 14001:2004 (for Environmental Management), ISO 22000:2005 (for Food and Safety Management), OHSAS 18001:2007 (for Industrial Health and Safety) and ISO 9001:2008 (for Quality Management System) certifications were renewed.

7. SUBSIDIARIES / JOINT VENTURES/ ASSOCIATES

The Company has 2 subsidiaries as on March 31, 2015. There are no Associate Companies within the meaning of section 2(6) of the Companies Act, 2013. The Company during year 2014-15 made investment in three limited liability partnerships. The names of Companies which have become or ceased to be subsidiaries, joint ventures or associate Companies during the year are given in the Annexure C to this report.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act,

the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

The summaries of performance of the subsidiaries are given below:

M/s Nanofil Technologies Private Limited,

Nanofil Technologies Private Limited was incorporated as a private limited company under the Companies Act, 1956 in India on December 15, 2009 bearing CIN U25194WB2009PTC140211. The Company is engaged in the business of carrying on research and development by using various technologies namely Nanotechnology, Chemical technology, Biochemical Technology & Polymer Technology to use in polypropylene, polyethylene, PVC products, etc. The total sales and receipt of Nanofil was of Rs. 460.65 Million and profit of Rs. 6.26 Million for the financial year 2014-15.

M/s Flexiglobal Holdings Limited, Cyprus

Flexiglobal Holdings Limited was incorporated as a limited

liability Company under Companies Law, Cap. 113 in Nicosia on September 22, 2008 bearing Registration No. HE 238405. Flexiglobal is a holding company for foreign investments. The total consolidated receipt of Flexiglobal was of 1,212 GBP and loss of 11,826 GBP for the financial year 2014-15.

7. EMPLOYEE STOCK OPTION SCHEME, 2011

The Nomination and Remuneration Committee of the Board of Directors of the Company inter alia monitors and administers the Employee stock option scheme of the Company.

The Company has only one scheme i.e., ESOP SCHEME 2011 and its details are as under:-

Total No. of Options outstanding at beginning of the year	499800
Less: Options lapsed due to various reasons	164550
Total Outstanding Options	335250

8. DIRECTORS /KEY MANAGERIAL PERSONNEL (KMPS) APPOINTMENT AND RESIGNATION

During the year under review, the following changes occurred in the position of Directors/ KMPS of the Company:

S.N.	Name of Director/KMP	Date of Event	Event
1.	Mr. K. K. Vijayvergiya (DIN 01941958)	12th August,2014	Resignation from Directorship.
2.	Mr. D.K. Sharma (DIN 00028152)	12th August, 2014	Appointment as Professional Executive Director in addition to Company Secretary.
		4th November,2014	Resigned from post of Company Secretary.
3.	Mr. Ajay Mundra	27th May, 2014	Appointed as Chief Financial Officer.
		12th August, 2014	Resigned from post of Chief Financial Officer.
4.	Mr. Dilip Parikh	12th August,2014	Appointed as Chief Financial Officer.
		20th May, 2015	Resigned from post of Chief Financial Officer.
5.	Mr. Rishabh Kumar Jain	4th November,2014	Appointed as Company Secretary
6.	Mr. Manas Tandon (DIN 05254602)	29th January, 2015	Resignation from Directorship.
7.	Mr. Ritesh Pandey (DIN 07088000)	12th February, 2015	Appointed to fill casual vacancy.
8.	Mrs. Alka Sagar (DIN 07138477)	31st March, 2015	Appointed as an Additional Director
9.	Mr. Manoj Dwivedi (DIN 05290255)	31st March, 2015	Resignation from Directorship.

The Board has placed on record its sincere appreciation for the contribution of Mr. K.K. Vijayvergiya (DIN 01941958), Mr. Manas Tandon (DIN 05254602) and Mr. Manoj Kumar Dwivedi (DIN 05290255), Mr. Ajay Mundra and Mr. Dilip Parikh towards the progress of the Company during their tenures.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company Mr. D.K. Sharma, Professional Executive Director of the Company, retire by rotation and being eligible for re-appointment offers himself for re-appointment.

In compliance with the Companies Act, 2013, Mr. Anirudh Sonpal (DIN 03367049), Mr. Sharat Anand (DIN 00083237) and Mr. Kevan John Upperdine (DIN 01214264) were appointed as Independent Directors by the members at their 21st Annual General Meeting held on 30th September, 2014 for a period of 5 years.

Directors' Report (Contd.)**9. DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

10. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a formal evaluation of the Board was carried out by independent directors, after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was done by the entire Board of Directors, excluding the director being evaluated on the basis of their performance of specific duties and obligations and governance.

Further there is no re-appointment of Independent Directors due for this Annual General Meeting.

11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee of Board of Directors of the Company leads the process for appointment of Directors and Key Managerial and Senior Management personnel in accordance with the requirements of the Companies Act, 2013, Listing Agreement and other applicable rules. In case of re-appointment of Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level.

Company does have Policy on Appointment and Remuneration of Directors, KMPs and Senior Management personnel and which is available on the website of the Company i.e., www.flexituff.com

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to support the Code of Business Ethics. This mechanism documents the Company's commitment to maintain an open work environment in which employees are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Conduct without fear of intimation or retaliation.

The said is given at the website of the Company on below link: <http://flexituff.com/Investor/Code%20of%20Conduct/vigil%20mechanism.pdf>

13. RISK MANAGEMENT

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of the Risk Management by approving Risk Management Report in the meeting of Audit Committee and Board thereon on quarterly basis to manage key risks across the organization.

14. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arms length basis and in the ordinary course of business and the provision of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required and hence not attached. Further, there are no material related party transactions during the year under review with the Promoters, Directors, key managerial personnel or any related party.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**16. AUDITORS
STATUTORY AUDITORS**

M/s. L.K. Maheshwari & Co., Chartered Accountants, Indore were appointed as Statutory Auditors of the Company in the 21st Annual General Meeting (AGM) of the Company held on 30th September, 2014 for a term of three consecutive years, subject to ratification of their appointment by shareholders at every AGM. Board of Directors in its meeting held on 7th August, 2015 has proposed ratification of their appointment by the shareholders in the ensuing Annual General Meeting.

Board of Directors on recommendation of Audit Committee of the Board appointed M/s MZSK & Associates, Chartered Accountants, as Joint Statutory Auditor for Financial Year 2015-16 in its meeting held on 7th August, 2015 subject to approval of members in ensuing Annual General Meeting of the Company. M/s. MZSK & Associates, Chartered Accountants, Mumbai have given their consent to act as a Joint Statutory Auditors of the Company.

AUDITOR'S REPORT

The observations made in the Auditor's Report, read with the relevant notes thereon are self explanatory and hence do not call for any further comment pursuant to Section 134 of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. Ritesh Gupta & Company, Practicing Company Secretary were appointed as Secretarial Auditor for conducting secretarial audit for the financial year 2014-15. The report of the Secretarial Auditor is annexed herewith as Annexure E & its self explanatory hence do not call for any further comments pursuant to Section 134 of the Companies Act, 2013.

COST AUDIT

Members of the Company appointed M/s. Vijay P. Joshi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2014-15. However, further amendments in Companies (Cost record and Audit) Rules, 2014 waived off the requirement of cost audit on the Company. Hence there was no cost audit carried on for the financial year 2014-15.

17. DETAILS OF MEETINGS OF THE BOARD

During the year five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report.

18. AUDIT COMMITTEE

The Company has constituted Audit Committee, pursuant to the provisions of Section 177 of the Companies Act, 2013 and provisions of the Listing Agreement. The Composition, Scope and Powers of Audit Committee together with details of meetings held during the period under review forms part of Corporate Governance Report.

19. CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the Board of Directors on recommendation of the CSR Committee formulated a CSR policy. The CSR activities of the Company are implemented in accordance with the CSR policy and provisions of the Companies Act, 2013 and rules made thereunder.

The Annual Report on CSR containing particulars specified in Companies (CSR Policy) Rules, 2014 including initiatives taken by the Company during the year is given in Annexure B along with contents of CSR Policy of the Company. The said policy is also placed on the website of the Company under following link: http://flexituff.com/investor_conduct.htm

20. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

21. CODE OF CONDUCT

The Board has laid down a code of conduct for all Board members and Senior Management Personnel of the Company as per Clause 49 of the Listing Agreement. All the Directors and Senior Management Personnel have affirmed compliance with the said code of conduct for the year ended 31st March, 2015. The same is posted on the website of the company i.e., www.flexituff.com

22. DISCLOSURE ON REMUNERATION

The information required pursuant to Section 197(12) of the Companies Act, 2013 and rule made thereunder are forming part of this Directors' Report for the year ended March 31, 2015 is given as a separate Annexure to this report.

The above annexure is not sent along with this report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the registered office of the Company, 21 days before the 22nd Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares.

23. 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 134 of the Companies Act, 2013, 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.

24. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of annual accounts, the applicable

Directors' Report (Contd.)

accounting standards had been followed along with proper explanation relating to material departures.

2. The Directors had selected such accounting policies and 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. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.
5. The Company has established internal financial controls and the said controls are adequate and are operating effectively.
6. A proper compliance system is established to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies. As a means to further strengthen the control environment, during the year, the processes were benchmarked with industry practices to identify the gaps, if any and remedial measures were taken.

The Company has an Internal Audit Department with a dedicated internal audit team which is commensurate with the size, nature & complexity of operations of the Company. The Internal Audit Report is submitted to the Audit Committee on quarterly basis, the Audit Committee reviews the performance of internal audit function.

The Audit Committee, reviews adherence to internal control systems and internal audit reports. Further, the

Board annually reviews the effectiveness of the Company's internal control system.

26. REPORT ON CORPORATE GOVERNANCE

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

27. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2015

28. DEMATERIALISATION AND ELECTRONIC REGISTRAR

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31st March 2015, 95.47% equity shares are in Demate form and remaining 4.53 % equity shares are in physical form.

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).

29. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

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. Board places on record their appreciation and sincere thanks towards their contribution to the Company's performance during the year.

The Board is pleased to inform you that Industrial relations have continuously been cordial at all levels throughout the year.

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Flexituff International Limited's premises. The Company

always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at corporate office as well as at plant locations.

During the year ended 31st March, 2015. There were no complaints pertaining to sexual harassment.

31. RELEVANT EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return for the financial year 2014-15 under the Companies Act, 2013 is given in Annexure D to this Report.

32. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2014-15 and till the date of this report.

APPRECIATION

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

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

For And On Behalf of The Board

Sd/-

Sd/-

Whole Time Director

Whole Time Director

Place: Pithampur

Date: 07/08/2015

ANNEXURE- A

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

FORM A

Form for disclosure of particulars with respect to conservation of energy

POWER CONSUMPTION

(Rs. in Millions)

Electricity	Current Year	Previous Year
Unit Purchased	62718821	55517022
Total Amount (Rs.)	303169141	281772903
Rate per Unit (Rs.)	4.83	5.07

Plant & Machinery were handled effectively to improve the productivity and your Company has continued its endeavor to adopt latest technologies and procure highly advanced machine for its products and to meet the requirements of globally competitive market. Your Company also continuously upgraded the technologies which use in manufacturing of products and ready to accept global market challenges.

- Regular maintenance of machines which results reduction in power consumption.
- Replacement of old screw & Barrel to ensure higher productivity.

For And On Behalf of The Board

Sd/-

Sd/-

Whole Time Director

Whole Time Director

Place: Pithampur

Date: 07/08/2015

Directors' Report (Contd.)**FORM B****Form for disclosure of particulars with respect to absorption****RESEARCH & DEVELOPMENT**

1. Company has emerged as significant player in the field of Geotextiles products.
2. The Geo-textile products are utilized for Erosion Control, Costal Control, Roadways, River Bank protection, Reinforcement, De-Watering and Hill Slope Stabilization.

TECHNOLOGY ABSORPTION AND ADAPTATION AND INNOVATION

The Company continues to import technically upgrade machines for its products and performance. New technology so adopted has enabled us to produce and market our products in various new markets.

FOREIGN EXCHANGE EARNING AND OUTGO

(Rs. in Millions)

Particulars	FY 2014-15	FY 2013-14
Earning in Foreign exchange	6116.24	5403.61
Expenditure in Foreign Currency	538.78	884.57

For And On Behalf of The Board

Sd/-

Whole Time Director

Sd/-

Whole Time Director

Place: Pithampur

Date: 07/08/2015

ANNEXURE- B**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2014-15**

1. A Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes;
The details of CSR Policy and projects/ programs undertaken are disclosed under part B of this annexure.
2. Composition of CSR Committee : The Company has a CSR Committee of Directors comprising of

Mr. Saurabh Kalani	Chairman
Mr. Sharat Anand	Member
Mr. Manoj Kumar Dwivedi	Member (upto 31.03.15)
Mrs. Alka Sagar	Member (w.e.f 28.05.15)
3. Average net profit for last 3 financial years : Rs. 37.23 Crore;
4. Prescribed CSR expenditure(2% of the of average net profit as given in point no. 3) : Rs. 74.47 lakh
5. Details of CSR Spent for the financial year : Rs. 72.26 Lacs
 - A. Total amount to be spend for the financial year : Rs. 74.47 Lacs
 - B. Amount unspent if any : Rs. 2.20 Lacs
 - C. Manner in which the amount is spent during the year : Attached

Annexure- B (Contd.)

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :

Company is in continuous expansion mode & hence some of the CSR activities (i.e., the shortfall of Rs. 2.21 lac) were rescheduled and postponed to the year 2015-16.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:

We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the company.

Place: Pithampur

Date: 07/08/2015

Sd/-

Chairman of CSR Committee

S. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-Heads: (1) Direct expenditure on the projects or programs (2) overheads:	Cumulative expenditure upto to the reporting period	Amount Spent: Direct or through implementing Agency
1	Making available safe drinking water.	cl. (i) Making available safe drinking water.	Pithampur, Dist. Dhar in Madhya Pradesh	52.19	52.19	52.19	Direct
2	Food to underprivileged	cl. (i) eradicating hunger.	Mahuakhera ganj, Dist. Udhamsingh nagar in Uttrakhand	4.55	4.55	56.74	Direct
3	Health- "Ambulance facility"	cl.(i) promoting health care including preventive health care.	Mahuakhera ganj, Dist. Udhamsingh nagar in Uttrakhand	2.83	2.83	59.57	Direct
4	Development- Computer house facility	cl.(ii) promoting education cl.(x) rural development	Mahuakhera ganj, Dist. Udhamsingh nagar in Uttrakhand	6.11	6.11	65.68	Direct
5	Education- Stationary to children	cl.(ii) promoting education	Mahuakhera ganj, Dist. Udhamsingh nagar in Uttrakhand	0.57	0.57	66.25	Direct
6	Other initiatives- CSR at manufacturing locations	cl.(ii) promoting livelihood enhancement projects	Mahuakhera ganj, Dist. Udhamsingh nagar in Uttrakhand	6.01	6.01	72.26	Direct

Directors' Report (Contd.)**PART B****CONTENTS OF CSR POLICY**

FLEXITUFF INTERNATIONAL LIMITED Corporate Social Responsibility Policy	
Our Vision & Philosophy	<p>CSR has been a way of life at Flexituff International Limited ("FIL" or "the Company") ingressed into its philosophy and vision.</p> <p>The 'headline' objective of FIL's CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Company's business strategy for overall value creation for all stakeholders. FIL believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities pan-India befitting its status as a conscientious corporate citizen.</p> <p>The policy shall apply to all CSR initiatives and activities to be undertaken by FIL:</p> <ul style="list-style-type: none"> (i) directly by FIL or any of its subsidiaries on its own; (ii) through external agencies, NGOs having the requisite track record of 3 years in the relevant project/ program <p>FIL shall mandatorily spend on CSR as per provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules 2014.</p>
CSR Committee	<p>CSR Committee of the Board of Directors ("Board") would consist of 3 or more Directors, out of which at least 1 director shall be an Independent Director.</p> <p>FIL at its meeting held on 27th May, 2014 approved the constitution of a three-member Corporate Social Responsibility (CSR) Committee of the Board.</p> <p>The Committee, as mandated under Section 135 (3) of the Companies Act, 2013, shall (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the FIL as specified in Schedule VII; (b) recommend the amount of expenditure to be incurred on the activities referred to in Section (a); and (c) monitor the Corporate Social Responsibility Policy of the Company from time to time. (d) Annually report to the Board, the status of the CSR activities and contributions made by FIL (e) Any other requirements mandated under the Act or Rules issued thereunder.</p>
CSR Activities	<ol style="list-style-type: none"> 1) FIL's CSR activities would be in the form of well-defined projects or programmes, the outcomes of which could be measured objectively. 2) Schedule VII lists out activities which may be included by companies in their corporate social responsibility activities. The said activities include the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
 - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;
 - Promoting gender equality, empowering women, setting up homes/ hostels for women & orphans; setting up old age homes, day care centers& such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups;
 - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
 - Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
 - Measures for the benefit of armed forces veterans, war widows and their dependents;
 - Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
 - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
 - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - Rural development projects.
 - Such other activities as may be prescribed from time to time
- 3) However, out of the aforesaid activities, FIL's CSR activities would seek to -
- a. serve the poor, marginalized and underprivileged
 - b. promote inclusion
 - c. be sustainable
 - d. Meet needs of the larger community and society.
- 4) Foundation would primarily focus on CSR activities promoting the development of -
- a. livelihoods;
 - b. rural areas;
 - c. social infrastructure such as healthcare and education; and
 - d. other infrastructure that would meet the objectives of Inclusion and environmental sustainability such as water supply, sanitation, sustainable urbanization, public transport systems, renewable energy, slum re-development and affordable housing.

Directors' Report (Contd.)

Restricted Activities	<ol style="list-style-type: none"> 1) The Company shall endeavor not to include any of the business activities under taken in the normal course of business of the Company within the ambit of CSR activities. 2) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity. 3) CSR Projects or activities that benefit only the employees of the Company and their families shall not be considered CSR activities. 4) No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company. 5) Expenditure not in line with the CSR Activities shall not be included. 6) One off events such as Marathons / awards / charitable contributions / advertisement / sponsorships of TV programmes etc would not be qualified as CSR expenditure 7) Expenses incurred by companies for fulfillment of any Act/Statute of regulations would not count as CSR Expenditure under the Companies Act.
CSR Expenditure	<ol style="list-style-type: none"> 1) The costs of research and capacity building, employee costs and other administrative overheads would form a part of the programmes and projects so selected. 2) FIL shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. CSR Projects or Programs or activities undertaken in India only shall amount to CSR Expenditure.
Collaboration	<ol style="list-style-type: none"> 1) The Company may undertake the CSR activities on its own or through a Trust/ Society/ Not for Profit Company. 2) The Company may collaborate for undertaking the CSR activities along with its group companies, including its eligible holding or subsidiary companies or any other companies outside the group, as the case may be. 3) The Company may also under take CSR activities through external agencies, NGOs having the requisite track record of 3 years in the relevant project/ program and a report on the same shall be disclosed separately.
Capacity Building/ Training	<ol style="list-style-type: none"> 1) The Company may build the CSR capabilities of its own personnel as well as those of implementing agencies through Institutions with established track record or such experience, as may be required under the applicable laws. 2) The Company shall ensure that the total expenditure for training or capacity building of its personnel (including administrative overheads) does not exceed 5% of the total CSR expenditure of the Company in one financial year or such other higher percentage as may be prescribed from time to time under applicable laws.
Accounts and Audit	<ol style="list-style-type: none"> 1) In case specified projects or programs are to be undertaken through third party agencies the Company would need to specify the manner of accounting and tracking the expenditure incurred through third party agencies. 2) The Company may conduct audit for CSR related expense at such intervals as may be recommended by CSR Committee and approved by the Board.

Monitoring/ Evaluation Mechanism and assessment	<ol style="list-style-type: none"> 1) The Board shall ensure activities as are included in CSR Policy of the Company are undertaken by the company. 2) The CSR Committee shall monitor CSR policy of the Company from time to time. 3) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company which shall include the following : <ol style="list-style-type: none"> i. Release of funds for CSR Project/Programme: The amounts sanctioned for a CSR project or programme, will be released in stages or installments as per progress, as may be determined by the CSR Committee. CSR committee may design the procedure/guidelines applicable from time to time and release of funds to any project in a year shall be as per the guidelines finalized by the CSR Committee. ii. Review by Board/CSR Committee: On a quarterly basis, the Board of Directors and CSR Committee will review the implementation of CSR. iii. Utilisation Certificate: Funds released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorized officer / CEO of the donee entity and satisfactory performance report submitted by the said person, as may be decided by the CSR Committee. iv. External Agency assessment: The impact assessment/ evaluation of major projects may be carried out by an external agency to critically assess the fulfillment of project objectives. v. Audit: the amount spent on CSR by the Company will be subject to audit.
Tax Treatment	Tax treatment of CSR spent will be in accordance with Income Tax Act, 1961 as amended from time to time and other applicable rules or circulars (issued by CBDT).
Dissemination of Information	The CSR Policy of the company shall be placed on the website of the Company. A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Board Report in the Annual Report. The CSR committee will also make a Responsibility Statement stating that the CSR Policy implementation and monitoring thereof is in letter and spirit, in compliance with the CSR objectives.
Approved by	FIL Board after recommendation by CSR Committee.
Amendment	This Policy may be amended from time to time by the Board on the recommendation of the CSR Committee.
Review History	Approved on 7th August, 2015 Policy to be reviewed annually.

ANNEXURE- C

COMPANIES WHICH BECAME/ CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

1. COMPANIES WHICH HAVE BECAME SUBSIDIARIES /JOINT VENTURE/ ASSOCIATE COMPANIES DURING THE FINANCIAL YEAR 2014-15

1.	FLEXITUFF JAVED AHMAD LLP
2.	FLEXITUFF SA ENTERPRISES LLP
3.	FLEXITUFF HI-TECH LLP

2. THERE WAS NO COMPANY WHICH HAVE CEASED TO BE SUBSIDIARIES /JOINT VENTURE/ ASSOCIATE COMPANIES DURING THE FINANCIAL YEAR 2014-15

Directors' Report (Contd.)

ANNEXURE- D**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31.03.15

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

CIN	L25202MP1993PLC034616
Registration Date	8th April 1993
Name of the Company	Flexituff International Limited
Category/ Sub Category of the Company	Company limited by shares and Indian non-government Company
Address of the Registered office and contact details	C41-50, SEZ, Sector - 3, Pithampur, Dist. Dhar (M.P.) 454775 Tel : 07292-420200, Fax : 07292-401684
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of other textiles	139	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	NANOFIL TECHNOLOGIES PVT. LTD.	U25194WB2009PTC140211	Subsidiary	99.90%	2(87)
2.	FLEXIGLOBAL HOLDINGS LIMITED	HE 238405	Subsidiary	100%	2(87)

IV SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding

"Category of Shareholders"	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				"% Change during the year"
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7035038	-	7035038	28.27	8162802	-	8162802	32.80	4.53
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	7035038	-	7035038	28.27	8162802	-	8162802	32.80	4.53

"Category of Shareholders"	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				"% Change during the year"
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding	7035038	0	7035038	28.27	8162802	0	8162802	32.80	4.53
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	286	-	286	0.00	241	-	241	0.00	0.00
b) Banks / FI	1599203	-	1599203	6.43	1599203	-	1599203	6.43	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	2425807	-	2425807	9.75	2450783	-	2450783	9.85	0.10
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	4025296	-	4025296	16.18	4050227	-	4050227	16.28	0.10
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	8659695	-	8659695	34.80	7132079	-	7132079	28.66	(6.14)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	182392	3	182395	0.73	165369	3	165372	0.66	(0.07)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	221077	-	221077	0.88	464490	-	464490	1.87	0.99
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Director /Relatives	19000	-	19000	0.07	19000	-	19000	0.07	0.000
ii) Clearing members	150609	-	150609	0.60	338413	-	338413	1.36	0.76
iii) Market Makers, office bearer	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals-NRI, Foreign Companies	3463901	1125795	4589696	18.44	3424628	1125795	4550423	18.29	(0.15)
Sub-total (B) (2):-	12696674	1125798	13822472	55.55	11543979	1125798	12669777	50.91	(4.64)
Total Public Shareholding (B)= (B)(1)+(B)(2)	16721970	1125798	17847768	71.72	15594206	1125798	16720004	67.19	(4.53)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	23757008	1125798	24882806	100	23757008	1125798	24882806	100	00.00

Directors' Report (Contd.)**ii. Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Share holding at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KALANI INDUSTRIES PRIVATE LIMITED	3621730	14.56	5.69	3621730	14.56	14.56	Nil
2	MISCELLANI GLOBAL PRIVATE LIMITED	1359163	5.46	0.57	1359163	5.46	5.46	Nil
3	HIGH SKEY PROPERTIES PVT. LTD.	1044775	4.2	2.94	1044775	4.2	0.13	Nil
4	SANOVI TRADING PRIVATE LIMITED	1009370	4.06	0.29	1009370	4.06	4.06	Nil
5	*ANSHUMAN PROPERTIES PRIVATE LIMITED	940500	3.78	Nil	1127764	4.53	Nil	0.75
TOTAL		7035038	28.28	9.49	8162802	32.81	24.21	0.75

Notes: * Anshuman Properties Private Limited come under category of Promoter group by vide disclosure u/r 29 of SEBI (Substantial Aquesations of Share of Transfers) Regulations, 2011, dt. April, 2, 2015.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year 01.04.2014		Shareholding at the end of the year 31.03.2015	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Anshuman Properties Pvt. Ltd.,				
At the beginning of the year	940500	3.78	940500	3.78
Purchase during the year	-	-	187264	0.75
At the end of the year	1127764		4.53	

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Date wise increase/ decrease in shareholding due to buy and sell				Shareholding at the end of the year 31.03.2015	
		No. of shares	% of total shares of the company	Date	No. of shares	% increase/ decrease	Reason	No. of shares	% of total shares of the company
1.	Clearwater Capital Partners Cyprus Ltd	2235754	8.98	15.08.14	(5800)	(0.02)	Open market operations.	2229954	8.96
				22.08.14	(1255)	(0.005)	Open market operations.	2228699	8.95
				14.11.14	(5000)	(0.02)	Open market operations.	2223699	8.93
				21.11.14	(26660)	(0.10)	Open market operations.	2197039	8.82
2.	International Finance Corporation	1902173	7.64	-	-	-	-	1902173	7.64
3.	Saurabh Properties Private Limited	1637905	6.58	-	-	-	-	1637905	6.58
4.	TPG Growth II SF Pte. Ltd	1227273	4.93	-	-	-	-	1227273	4.93
5.	Life Insurance Corporation of India	1199203	4.81	-	-	-	-	1199203	4.81

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Date wise increase/ decrease in shareholding due to buy and sell				Shareholding at the end of the year 31.03.2015	
		No. of shares	% of total shares of the company	Date	No. of shares	% increase/ decrease	Reason	No. of shares	% of total shares of the company
6.	Sunrise Properties Pvt. Limited	1029630	4.13	-	-	-	-	1029600	4.13
7.	Seven Star Properties Private Limited	952470	3.65	-	-	-	-	952470	3.65
8.	Fantasy Real Estates Private Limited	915800	3.68	-	-	-	-	915800	3.68
9.	Sorley Holdings Limited	653607	2.63	-	-	-	-	653607	2.63
10.	India Max Investment Fund Limited	512634	2.06	16.05.14	(20,000)	(0.08)	Open market operations.	492634	1.97
				24.05.14	(2026)	(0.00)	Open market operations.	490608	1.97
				06.06.14	(2998)	(0.01)	Open market operations.	487610	1.95
				12.09.14	15943	0.06	Open market operations.	503553	2.02
				19.09.14	34057	0.13	Open market operations.	537610	2.16

v. Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors and Key managerial personnel hold shares in the Company			
	Date wise Increase/ Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	None of the Directors and Key managerial personnel hold shares in the Company			
	At the end of the year	None of the Directors and Key managerial personnel hold shares in the Company			

V INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In millions)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
Indebtedness as on 1st April, 2014				
i) Principal Amount	947.99	1881.06	0	2829.05
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8.19	32.21	0	40.4
Total (i+ii+iii)	956.18	1913.27	0	2869.45

Directors' Report (Contd.)

(Rs. In millions)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
Change in Indebtedness during the financial year				
* Addition	742.86	259.50	0	1002.36
* Reduction	492.77	9.50	0	502.27
Net Change	250.09	250.00	0	500.09
Indebtedness as on 31st March, 2015				
i) Principal Amount	1198.08	2131.06	0	3329.14
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8.75	46.49	0	55.24
Total (i+ii+iii)	1206.83	2177.55	0	3384.38

Note: The increase in unsecured loan is on account of increase in liability for FCCB due to fluctuation of foreign currency.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. In millions)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Saurabh Kalani	Mr. Manoj Dwivedi	Mr. K.K. Vijavergiya* (till 12.08.14)	Mr. D.K. Sharma ** (w.e.f. 12.08.14)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.59	1.29	0.59	1.43	8.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0.19	0.13	0.17	0.49
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1.95	0	0	0.10	2.05
2	Stock Option granted during the year	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	3.66	0	0	0	3.66
	Allowances	0.93	0.49	0.14	0.42	1.98
	Total (A)	12.15	1.98	0.87	2.10	17.10

* Figures are upto 12th August, 2014 (due to resignation, w.e.f 12.08.14)

** Consolidated figures of remuneration of Mr. D. K. Sharma as Company Secretary upto 4th November, 2014 and professional director w.e.f. 12.08.14)

B. Remuneration to other directors:

(Rs. In millions)

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Anirudh Sonpal	Mr. Sharat Anand	Mr. Kevan John	
1	Independent Directors				
	Fee for attending board committee meetings	0.01	0.01	-	0.02
	Commission	-	-	-	-
	Total (1)	0.01	0.01	-	0.02
2	Other Non-Executive Directors				
		Mr. Vishwarupe Narain	Mr. Manas Tandon	Mr. Ritesh Pandey	Mr. Kaushal Ganeriwal
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.01	0.01	-	0.02
	Total Managerial Remuneration	17.13			
	Overall Ceiling as per the Act	The overall ceiling limit is 11% of the Net profit of the Company. i.e., Rs. 21.74			

C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd:

(Rs. In millions)

Sl No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO Mr. Mahesh Sharma	CS Mr. Rishabh Kumar Jain* (w.e.f. 04.11.14)	CFO ** Mr. Ajay Mundra (till 12.08.14)	CFO*** Dilip Parikh (w.e.f 12.08.14)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.80	0.15	0.31	0.96	6.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.05	0.02	0.05	0.06	1.18
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0.42	0.42
2	Stock Option granted during the year	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	0	0	0	0	0
5	Allowances	0.03	0.03	0.11	0.35	0.52
	Total	5.88	0.19	0.47	1.81	8.35

* Mr. Rishabh Kumar Jain was appointed as a Company Secretary w.e.f. 04.11.14

** Mr. Ajay Mundra resigned from the position of CFO w.e.f. 12.08.14

** Mr. Dilip Parikh was appointed as CFO w.e.f. 12.08.14

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences under the Companies Act, 2013 during the financial year 2014-15.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To,
The Members,
Flexituff International Limited
304, Diamond Prestige, 41-A, A.J.C. Bose Road
Kolkata (WB)-700017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Flexituff International Limited (CIN: L25202WB1993PLC111382) (hereinafter called "The Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Flexituff International Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed

under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws applicable specifically to the Company (as given in 'Annexure-I' to the Report).

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Secretarial Standards issued by 'The Institute of Company Secretaries of India' were not applicable during the financial year under report.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company under the Financial Year under report;
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that based on the information, representation and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives during the conduct of audit and also review on quarterly compliance report submitted by the department heads and taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations and happening of events etc. to the Company.

I further report that the compliances of applicable financial and tax laws has not been reviewed in this audit since the same have been subject to review under statutory financial audit by other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in

the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Ritesh Gupta & Co.**
Company Secretaries

Ritesh Gupta

CP:3764, FCS:5200

Place: Pithampur

Date: 07/08/2015

ANNEXURE-I

IMPORTANT LAWS APPLICABLE SPECIFICALLY TO THE COMPANY

The Company has complied with the following laws and legislations applicable specifically to the Company.

1. The Factories Act, 1948
2. The Environmental (Protection) Act, 1986.
3. The Hazardous Wastes (Management, Handling and Transboundary Movements) Rules, 2008.
4. The Water (Prevention & Control of Pollution) Act, 1974.
5. The Air (Prevention & Control of Pollution) Act, 1981.
6. Explosive Act, 1884.
7. Special Economic Zones Act, 2005.
8. Contract Labour (Regulation and Abolition Act) 1970

Place: Pithampur

Date: 07/08/2015

For **Ritesh Gupta & Co.**
Company Secretaries

Ritesh Gupta

CP:3764, FCS:5200

CORPORATE GOVERNANCE

REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2015

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Flexituff International Limited (herein after referred to as "Flexituff" or "the Company") looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn these resources are leveraged to maximize long-term stakeholder value while preserving the interest of multiple stakeholders including the society at large.

In the conduct of your Company's business and its dealings, it abides by the principle of honesty, openness and doing what is right which means taking business decisions and acting in way that is ethical and is in compliances with the applicable legislation.

The Company's corporate governance philosophy has been further strengthened through the Flexituff Code of Conduct for Board and Senior personnel and Code of Conduct under Insider Trading regulations. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges with regard to corporate governance.

2. BOARD OF DIRECTORS

I. As on March 31, 2015 Your Board of Directors is comprised of Nine (9) directors, of which the

Chairman is a Non-Executive Independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, your Company has two (2) Executive Director and Seven (7) Non-Executive Directors of whom three (3) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. None of the Non-Executive Directors are responsible for the day to day affairs of the Company.

II. None of the Directors on the Board is member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a director. Necessary disclosures regarding their position in various Committees across other public companies as on March 31, 2015, have been made by the directors.

III. The details of the composition, nature of directorship, number of Board Meeting attended, attendance at last AGM, directorships held in other Companies by the directors of the Company and their shareholding are detailed below. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 (now Section 8) companies and of companies incorporated outside India. Chairmanships/ Memberships of Board Committees include only Audit and Stakeholders Relationship Committees (formerly known as shareholders/ Investors Grievance Committee).

Name of Director	Date of Appointment	Category	No. of Board Meetings during the year 2014-15	Attendance at last AGM	Directorship in other Companies (excluding private limited companies)	Member (M) / Chairmanship (C) in No. of Board Committees including other Companies (as declared to the Company)	Share Holding in Flexituff Int. Ltd.
Mr. Anirudh Sonpal# DIN: 03367049	09.12.2010	C, NE, I	5	No	1	3M and 1C	NIL
Mr. Sharat Anand# DIN: 00083237	08.04.2008	NE, I	3	Yes	0	3C and 1M	NIL
Mr. Kevan John Upperdine# DIN: 01214264	18.11.2006	NE, I	1	No	0	1M	NIL
Mr. Saurabh Kalani DIN: 00699380	30.05.2012	E, W	5	No	0	2M	NIL
Mr. Vishwarupe Narain DIN: 03394320	27.05.2013	BND	5	No	2	1M	NIL

Name of Director	Date of Appointment	Category	No. of Board Meetings during the year 2014-15	Attendance at last AGM	Directorship in other Companies (excluding private limited companies)	Member (M) / Chairmanship (C) in No. of Board Committees including other Companies (as declared to the Company)	Share Holding in Flexituff Int. Ltd.
Mr. D.K. Sharma DIN: 00028152	12.08.2014	E, W	3	Yes	0	3M	NIL
Mr. Ritesh Pandey DIN: 07088000	12.02.2015	NE	1	No	0	1M	NIL
Mrs. Alka Rajesh Sagar DIN: 07138477	31.03.2015	NE	0	No	0	1M	NIL
Mr. Kaushal Ganeriwal ## DIN: 03497193	09.02.2012	CCP-ND	0	No	0	NIL	NIL
Mr. Kaushal Kishore Vijayvergiya* DIN: 01941958	30.05.2012	E, W	1	No	0	3M	NIL
Mr. Manas Tondon** DIN: 05254602	15.03.2013	IND	3	No	0	1M	NIL
Mr. Manoj Kumar Dwivedi*** DIN: 05290255	30.05.2012	E, W	3	No	0	2M	NIL

#Re-appointed as ID of the company pursuant to Section 149 of the Companies Act, 2013 on 30.09.2014

#Re-appointed as ID of the company pursuant to Section 149 of the Companies Act, 2013 on 30.09.2014

#Re-appointed as ID of the company pursuant to Section 149 of the Companies Act, 2013 on 30.09.2014

Resigned as the director of the company w.e.f. 28.07.2015

*Resigned as the director of the company w.e.f. 12.08.2014

**Resigned as the director of the company w.e.f. 29.01.2015

***Resigned as the director of the company w.e.f. 31.03.2015

Abbreviations:

C: Chairman, E: Executive Director, NE: Non Executive Director, I: Independent Director, W: Whole Time Director, MD: Managing Director, CCP-ND: CCP Nominated Director, IND: Investor Nominated Director, BND: Bondholder Nominated Director

Video / tele-conferencing facilities are also used to facilitate directors travelling / residing abroad or at other locations to participate in the meeting.

I. Five (5) Board Meetings were duly held during the year and the gap between two meetings did not exceed One hundred twenty days. The dates on which the said meetings were held:

27th May, 2014, 12th August, 2014, 4th November, 2014, 12th February, 2015 and 31st March, 2015.

The necessary quorum was present for all the meetings.

II. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

III. During the year 2014-15, information as mentioned in

Annexure 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration.

- IV. During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.
- V. The Board periodically reviews compliance reports as prepared by the Company of all applicable statutes to the Company.

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business & for better governance & accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee & other non-mandatory committee viz. Management Committee. Meeting of each of these Committee are administered by the respective Chairman of the Committee. The minutes of the Committee meetings are sent to all directors individual & tabled at the Board Meetings.

Corporate Governance Report (Contd.)**A. AUDIT COMMITTEE**

- I. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.
- II. During the year, the Audit Committee was reconstituted on 4th November, 2014 and 12th February, 2015.
- III. The terms of reference of the Audit Committee are broadly as per clause 49 of the Listing Agreement.
- IV. The previous Annual General Meeting (AGM) of the Company was held on September 30, 2014 and was attended by Mr. Sharat Anand, Chairman of the Audit Committee.
- V. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2014-15	
		Held	Attended
Mr. Sharat Anand	Chairman	4	2
Mr. Anirudh Sonpal	Member	4	4
Mr. Kaushal Kishore Vijayvergiya *	Member	2	2
Mr. Manas Tandon**	Member	4	3
Mr. D.K. Sharma***	Member	1	1
Mr. Ritesh Pandey****	Member	0	0

Secretary to the Committee: Mr. D.K. Sharma, Company Secretary (upto 4th November, 2014) and Mr. Rishabh Kumar Jain, Company Secretary (w.e.f. 4th November, 2014.)

*Resigned as the director of the company w.e.f. 12.08.2014

**Resigned as the director of the company w.e.f. 29.01.2015

***Appointed as a member of the committee w.e.f. 04.11.2014

****Appointed as a member of the committee w.e.f. 12.02.2015

- VI. During the year, four Audit Committee Meetings were held on 26th May, 2014, 12th August, 2014, 4th November, 2014 and 12th February, 2015.

The necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

- I. In compliance with Section 178 of the Companies Act, 2013, On 27th May, 2014 the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee" and the said committee was reconstituted on 4th November, 2014.
- II. The broad terms of reference of the Committee are as under clause 49 of the Listing Agreement.
- III. The composition of the Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2014-15	
		Held	Attended
Mr. Sharat Anand (Chairman)	Chairman	2	2
Mr. Anirudh Sonpal	Member	2	2
Mr. Kevan John Upperdine	Member	2	0
Mr. Vishwarupe Narain	Member	2	2

Secretary to the Committee: Mr. D.K. Sharma, Company Secretary (upto 4th November, 2014) and Rishabh Kumar Jain, Company Secretary (w.e.f. 4th November, 2014.)

- IV. During the year, one meeting of the Nomination and Remuneration Committee was held on 12th February, 2015. Further one meeting of the erstwhile Compensation Committee was held on 26th May, 2014

The necessary quorum was present for all the meetings.

- V. The Company remuneration policy is as described in the Directors' Report.

VI. Detail of Remuneration paid is given in MGT-9 as annexed to Directors' Report.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- I. The Company had a Shareholders/Investors Grievance Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. On 4th November 2014 the Board has renamed & reconstituted the said Committee as the "Stakeholders' Relationship Committee" headed by Mr. Sharat Anand, Non Executive and Independent Director.
- II. During the year under review, Company has not received any complaint from the investors.
- III. The composition of the Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2014-15	
		Held	Attended
Mr. Sharat Anand	Chairman	4	2
Mr. Anirudh Sonpal	Member	4	4
Mr. Kaushal Kishore Vijayvergiya*	Member	2	2
Mr. D.K. Sharma**	Member	2	2

Secretary to the Committee: Mr. D.K. Sharma, Company Secretary (upto 4th November, 2014) and Mr. Rishabh Kumar Jain, Company Secretary (w.e.f. 4th November, 2014.)

* Resigned as the director of the company w.e.f. 12.08.2014

**Appointed as a member of the committee w.e.f. 04.11.2014

IV. During the year, four Committee Meetings were duly held on 26th May, 2014, 12th August, 2014, 4th November, 2014, and 12th February, 2015.

The necessary quorum was present for all the meetings.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR Committee)

I. The CSR Committee was duly incorporated on 27th May 2014, pursuant to the provision of

Section 135 of the Companies Act 2013 and rules made thereunder.

II. During the year the committee was reconstituted on 4th November, 2014. The composition of the Committee and the details of meeting attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2014-15	
		Held	Attended
Mr. Saurabh Kalani	Chairman	1	1
Mr. Manoj Kumar Dwivedi*	Member	1	1
Mr. Sharat Anand	Member	1	0
Mrs. Alka Sagar#	Member	0	0

Secretary to the Committee: Mr. D.K. Sharma, Company Secretary (upto 4th November, 2014) and Mr. Rishabh Kumar Jain, Company Secretary (w.e.f. 4th November, 2014.)

*Resigned as the director of the Company w.e.f. 31.03.2015

#Mrs. Alka Rajesh Sagar is appointed as the member of the committee w.e.f. 28.05.2015

III. One meeting of the Corporate Social Responsibility Committee was held during the year on 4th November, 2014.

The necessary quorum was present for the meeting.

IV. The Committee was reconstituted on 28th May, 2015

E. MANAGEMENT COMMITTEE

I. The powers of the Board which can be delegated to Committees of Board of Directors in accordance with relevant provisions of the Companies Act, 1956 and 2013. The said powers have been delegated with an authority in relation to procurement and management of funds for existing and future projects of the Company. The Committee is also authorized 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.

II. Management Committee was reconstituted on 4th November 2014.

Corporate Governance Report (Contd.)

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

- a) Administration and management
- b) Production
- c) Strategic Planning Expansion and Performance review
- d) Marketing
- e) Fund & Project Execution etc.

IV. The composition of the Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2014-15	
		Held	Attended
Mr. Saurabh Kalani	Chairman	21	21
Mr. Kaushal Kishore Vijayvergiya*	Member	06	06
Mr. Manoj Kumar Dwivedi#	Member	21	21
Mr. D.K. Sharma**	Member	10	10

Secretary to the Committee: Mr. D.K. Sharma, Company Secretary (upto 4th November, 2014) and Mr. Rishabh Kumar Jain, Company Secretary (w.e.f. 4th November, 2014.)

* Resigned as the director of the company w.e.f. 12.08.2014

**Appointed as a member of the committee w.e.f. 04.11.2014

Resigned as the director of the company w.e.f. 31.03.2015

IV. During the year, twenty one Committee Meetings were duly held on 14th April 2014, 23rd April 2014, 31st May 2014, 1st July 2014, 18th July 2014, 30th July 2014, 28th August 2014, 17th September 2014, 22nd September 2014, 04th October 2014, 20th October 2014, 06th November 2014, 27th November 2014, 22nd December 2014, 07th January 2015, 20th January 2015, 05th February 2015, 19th February 2015, 24th February 2015, 03rd March 2015 and 20th March 2015.

The necessary quorum was present for all the meetings.

4. NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER:

Mr. Rishabh Kumar Jain
Company Secretary & Compliance Officer
Flexituff International Ltd
C 41-50, SEZ, Sector-3,
Pithampur, Dist. Dhar (M.P.) 454775
Contact No. 07292-420248
Fax: 07292- 401684

5. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the company during the previous financial year. Accordingly a policy on material subsidiaries has not been formulated.

6. GENERAL BODY MEETINGS

i. General meeting

a) Annual General Meeting:

AGM	Financial Year	Date	Time	Venue
19th	2011-12	September 25, 2012	11.00 A.M.	304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata-700 017 (W. B.)
20th	2012-13	September 30, 2013	10:00A.M.	Kalakunj- Kalamandir, 48 Shakespear Sarani, Kolkata-700017 (W.B.)
21st	2013-14	September 30, 2014		

b) Extraordinary General Meeting:

No extraordinary general meeting was held during the financial year 2014-15.

ii. Special resolutions:

AGM	Financial Year	Special Resolution Passed
19th	2011-12	Appointment of Mr. Kartikeya Kalani as Manager
		Alteration in Existing Clause 165 of Articles of Association
20th	2012-13	NIL
21st	2013-14	Approval for borrowing Limits upto Rs. 2000 Crores
		Creation of Charge/security upto Rs. 2000 Crores.
		Approval for remuneration to Non Executive Directors
		Approval for amendments in the Article of Association

iii. Details of special resolution passed through postal ballot, the person who conducted the postal ballot exercise and details of the voting pattern:

During the year under review, Company has passed resolution for shifting of Registered Office of the Company from West Bengal, Kolkata to Madhya Pradesh, Dhar, by way of postal ballot. Board of Directors in its meeting held on 4th November, 2014 approved postal ballot notice to shareholders and calendar of events relating to postal ballot. The said notice was circulated by the Company on 1st December, 2014 to the shareholders as on the record date i.e., 31.10.14. The Company provided e-voting facility with that of voting through postal ballot. The voting periods through postal ballot as well e-voting was open for 1 month starting from 4th December, 2014 to 3rd January, 2015. The results of postal ballot and e-voting were announced on 6th January, 2015 by the Scrutinizer Mr. Mohan Ram Goenka. The total number of valid votes was 15874479 out of which total numbers of votes in favor were 15874469 and numbers of votes casted against the resolution were 10. Hence the resolution was passed with a majority of more than 75%. The matter is held for hearing before the regional director, Kolkata. The date of hearing for the said matter has been given 11th August, 2015 and was approved by Regional Director, Kolkata and taken on record by Registrar of Companies, Gwalior on 28th August, 2015.

Further Mr. Mohan Ram Goenka proprietor of M.R & Associates, Practicing Company Secretary, Kolkata was appointed as the scrutinizer of the postal ballot by the Board of Director in their Board Meeting held on 4th November, 2014.

7. DISCLOSURES**a) Related Party Transactions**

All transactions entered with Related Parties for the year under review were on arms length basis and in the ordinary course of business and the provision of Section 188 of the Companies Act, 2013 are not attracted. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

b) Disclosure of Accounting Treatment

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

c) Risk Management

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

d) Reconciliation of Share Capital Audit

A qualified practicing company secretary carried out

a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in arrangement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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

There is no information to be given under this heading.

f) Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism to support the Code of Business Ethics. This mechanism documents the Company's commitment to maintain an open work environment in which employees are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Conduct without fear of intimation or retaliation.

Corporate Governance Report (Contd.)

The said is given at the website of the Company on below link:

http://flexituff.com/investor_conduct.htm

g) Code of Conduct

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

h) Remuneration & Sitting Fees of Directors**i. Executive Directors:**

The details of remuneration paid to the Executive Directors during the financial year 2014-15 are as under:

MR. SAURABH KALANI -

Whole Time Director

(Period from 1st April, 2014 to 31st March, 2015)

Salary & Allowance	Rs. 6.00 Lacs per month
Other benefits	Furnished accommodation Club fees (Up to 2 clubs), Reimbursement of expenses which includes gas, electricity, water, expenses, Car plus Chauffer salary and society maintenance etc.
Stock options	Growth-NIL

MR. D.K. SHARMA -

Whole Time Director

(Period from 12th August, 2014 to 31st March, 2015)

Salary & Allowance	Rs. 1.81 Lacs per month
Other benefits	Reimbursement of expenses which includes telephone, Diesel for Car plus Driver salary etc.
Stock options	Growth-NIL

MR. MANOJ KUMAR DWIVEDI -

Whole Time Director

(Period: from 1st April, 2014 to 31st March, 2015)

Salary & Allowance	Rs.1.73 Lacs per month
Other benefits	Reimbursement of expenses which includes telephone, Diesel for Car plus Driver salary etc.
Stock options	Growth-NIL

MR. KAUSHAL KISHORE VIJAYVERGIYA

(Period: from 01st April, 2014 to 12th August, 2014)

Salary & Allowance	Rs. 1.25 Lacs per month
Other benefits	Director allowance upto Rs. 3 lac per annum Reimbursement of expenses which includes telephone, Diesel for Car plus Driver salary etc.
Stock options	Growth-NIL

ii. Non Executive directors' Compensation and Disclosures

The sitting fees paid to Non-executive Directors was Rs. 5000/- per Board meeting. No commission was paid or payable to the Non-executive Directors during the year 2014-15. During the year, sitting fees paid to Non-executive Directors was Rs. 20000/-* details of which are as below:

S. No.	Name of Director	Amount
1	Mr. Anirudh Sonpal	10000/-
2	Mr. Sharat Anand	10000/-

None of our Independent Directors have claimed/ paid any remuneration for the financial year 2014-15.

8. CEO/CFO CERTIFICATION

The Chief Executive Officer of the Company have issued certificate pursuant to the provision of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results duly approved by the Board of Directors are sent to all the Stock Exchanges

where the Company's shares are listed immediately after the Board Meeting. The same are published in English and Bengali news papers in terms of Listing Agreement and in the format prescribed by the Stock Exchange. The Company also posts its financial results on its website i.e. www.flexituff.com.

10. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Date : September 30, 2015
Day : Wednesday
Time : 10:00 A.M.
Venue : C41-50, SEZ, Sector-3, Pithampur,
Dist. Dhar (M.P.) 454775

As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchanges, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 30, 2015.

As required under Clause 49(VIII)(E)(2) of the Listing Agreements entered into with the stock exchanges, None of the director of the company are in relation to each other.

ii. Financial Calendar:

Year ending : March 31
AGM in : September
Dividend payment : The final dividend, if declared shall be paid / credited on or after 30th September, 2015

iii. Date of book closure / record date:

As mentioned in the notice of the AGM to be from 23rd September, 2015 to 30th September, 2015.

iv. Listing on stock exchanges

Name & address of the Stock Exchange	Stock Code / Scrip Code	ISIN Number for NSDL/ CDSL (Dematerialized shares)
The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	FLEXITUFF	INE060J01017
BSE Limited 25th Floor, P.J. Towers, Dalal Street, Mumbai 400 001	533638	

v. Corporate Identification Number (CIN) :

L25202MP1993PLC034616

vi. Market Price Data

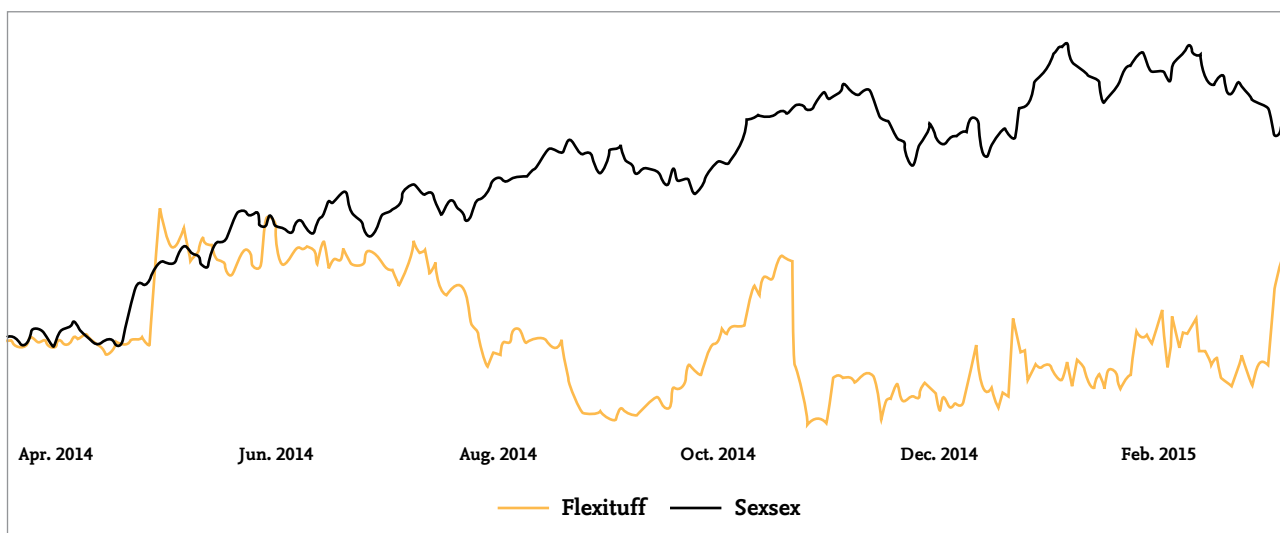
High, low (based on monthly closing prices) and number of equity shares traded during each month in the year 2014-15 on BSE Ltd. National Stock Exchange of India Limited:

Month and Year	BSE			NSE		
	High (Rs.)	Low (Rs.)	Traded Quantity	High (Rs.)	Low (Rs.)	Traded Quantity
Apr-14	235.00	223.00	200513	234.95	225.00	235216
May-14	298.00	221.00	384852	309.85	218.00	417138
Jun-14	261.40	235.15	223375	261.85	242.00	342499
Jul-14	290.00	238.00	245728	255.50	235.80	449730
Aug-14	274.10	219.00	350926	247.90	193.90	470191
Sep-14	233.00	202.35	344145	235.60	203.55	565604
Oct-14	236.20	207.50	234976	235.00	176.50	409939
Nov-14	259.90	202.10	415477	259.90	201.15	638568
Dec-14	225.00	205.00	291816	230.55	205.00	540623
Jan-15	255.65	205.00	236181	237.35	216.40	440950
Feb-15	243.00	210.55	228776	239.90	210.00	414746
Mar-15	255.00	208.00	485866	236.40	210.00	626919

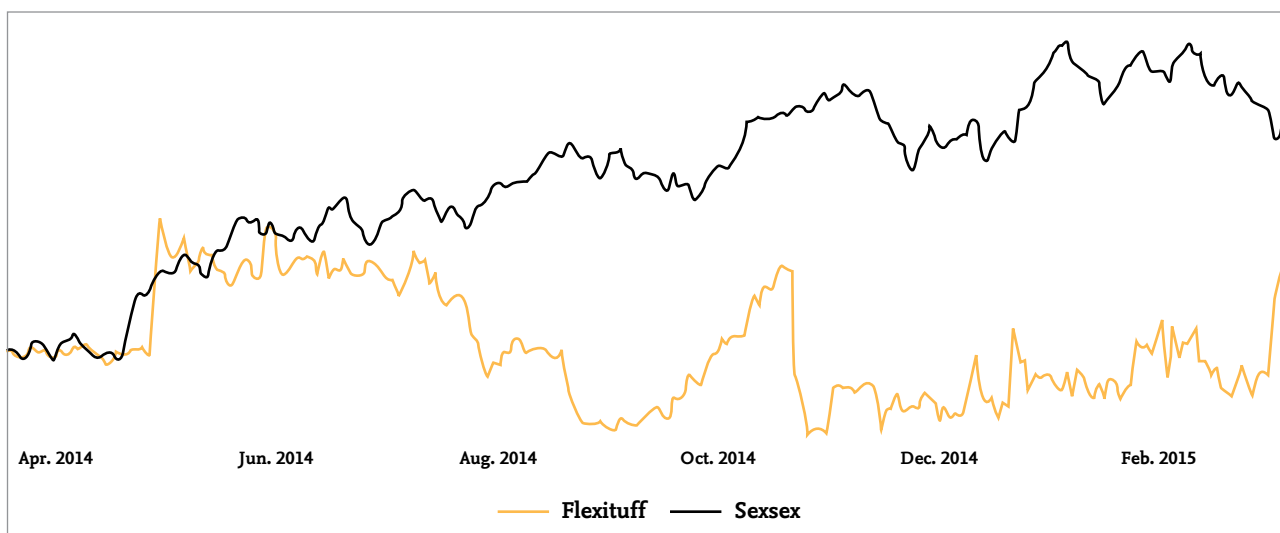
Corporate Governance Report (Contd.)

vii. Performance in comparison to BSE-Sensex and NSE-Nifty

Performance in comparison to BSE-Sensex



Performance in comparison to NSE-Nifty



viii. Registrar and Share Transfer Agent:

Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited)
 C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai - 400078
 Tel.: +91 22 2596 0320, Fax: +91 22 2596 0329, Email: mumbai@linkintime.co.in, Website: www.linkintime.co.in

ix. Share Transfer system:

95.47% of the equity shares are in the electronic form. Transfer of these shares are done through the depositories with no involvement of the company. As regards the transfer of shares held in physical form the transfer documents can be lodged with the company. If the documents are complete in all aspects, transfer of shares in physical form is normally processed within stipulated time period.

x. Distribution of equity shareholding as on 31st March, 2015

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

No. of equity shares held	No. of share holders	% of shareholders	No. of share held	% of total shares held	Amount
1 to 500	781	86.7778	29467	0.1184	294670
501 to 1000	9	1.0000	6543	0.0263	65430
1001 to 2000	16	1.7778	21241	0.0854	212410
2001 to 3000	5	0.5556	11494	0.0462	114940
3001 to 4000	2	0.2222	7729	0.0311	77290
4001 to 5000	2	0.2222	8509	0.0342	85090
5001 to 10000	17	1.8889	142060	0.5709	1420600
10001 and above	68	7.5556	24655763	99.0876	246557630
Total	900	100.00	24882806	100.00	248828060

Categories of equity shareholders as on 31st March, 2015

Category	No. of Equity Shares held	Percentage of holding
Indian Promoters	8162802	32.80
Foreign Promoters	0	0.00
Mutual Funds & UTI	241	0.00
Banks, FIs, Insurance Companies	1599203	6.43
Central/State Govt. Institutions/ Non-Govt. Institutions	0	0.00
Foreign Institutional Investors	2450783	9.85
Domestic Bodies Corporate	7132079	28.66
NRIs/ OCB/ Foreign Companies	4550423	18.29
Clearing Members	338413	1.36
Other Individual	648862	2.61
Grand Total	24882806	100.00

Status of Unpaid Dividend

Dividend for the year	Total Amount of Dividend (Rs. In lacs)	Amount of Unpaid Dividend as on 31.03.2015 (Rs. In lacs)	% of Dividend Unpaid	Due date of transfer to IEPF
2011-12	21.75	0.02	0.01	01-11-2019
2012-13	22.98	0.00	0.00	N.A.
2013-14	24.88	1.24*		01-11-2021

*After 31.03.2015 unpaid dividend of Rs. 1.20 Lacs has claimed by shareholders that has been paid by the Company through authorized bank. Now Rs. 0.04 lacs is unpaid as on date.

xi. Dematerialization of Shares and Liquidity

The equity shares of your Company are available for dematerialization with both NSDL and CDSL under ISIN INE060J01017. As on 31st March 2015, 95.47% equity shares are in Demat form and remaining 4.53 % equity shares are in physical form. 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).

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

5.44% Foreign Currency Convertible Bonds (the "FCCBs") of USD 25 Million issued to TPG Growth SF II Pte. Ltd. are convertible at the option of Bondholder into fully paid up equity shares of the Company at a price of Rs. 218/- per equity share on or before 26th April, 2018.

Corporate Governance Report (Contd.)

5.34% Foreign Currency Convertible Bonds (the "FCCBs") of USD 9 Million issued to International Finance Corporation are convertible at the option of Bondholder into fully paid up equity shares of the Company at a price of Rs. 230/- per equity share on or before 30th January, 2019.

xiii. Plant locations:**SEZ Unit**

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

DTA Unit

94, Industrial Area, Sector-I,
Pithampur-454775, Dist. Dhar – Madhya Pradesh

Kashipur Unit

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

Barwaha Unit

58/1, Jaimalpura, Maheshwar Road, Barwaha,
Dist. Khargone (M.P.)

xiv. Address for Correspondence

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

Link Intime India Private Limited

(Formerly Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400078
Tel.: +91 22 2596 0320, Fax: +91 22 2596 0329
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

For any further assistance, the shareholder's may Contact:

Corporate Office	Registered Office:
Flexituff International Limited C-41-50, SEZ, Sector -3, Pithampur- 454775, Dist. Dhar (M.P.) Tel. +91 7292 420200, Fax : 07292-401684 Email: investors@flexituff.com Website: www.flexituff.com	Flexituff International Limited 304, Diamond Prestige, 41-A, A.J.C. Bose Road Kolkata-700 017 (W.B.) Tel.: 033 -32212690 Fax : 033 - 22313510 Email: investors@flexituff.com Website: www.flexituff.com

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

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

For And On Behalf of The Board

Sd/-

Whole Time Director

Sd/-

Whole Time Director

Place: Pithampur

Date: 07/08/2015

CEO CERTIFICATION ON CODE OF CONDUCT

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

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

All the members of the Board and Key Management Personnel of the Company have affirmed due observation of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2015.

Place: Pithampur

Date: 07/08/2015

For **Flexituff International Limited**

Sd/-

CEO

CERTIFICATION FROM CEO/CFO

We Directors of the Company to the best of our knowledge and belief hereby certify to the Board of Directors of M/s. Flexituff International Limited that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2015 and that to the best of our knowledge and belief.
2. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
3. 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.
4. 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 volatile of the Company's code of conduct.
5. 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.
6. we have indicated to the auditors:
 - a. Significant changes in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. 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

Sd/-

Sd/-

Date: 07/08/2015

Director

Director

CERTIFICATE FROM PRACTISING COMPANY SECRETARY

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

We have examined the Compliance of conditions of Corporate Governance by Flexituff International Limited for the year ended on March 31, 2015, 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.

For **Ritesh Gupta & Co.**

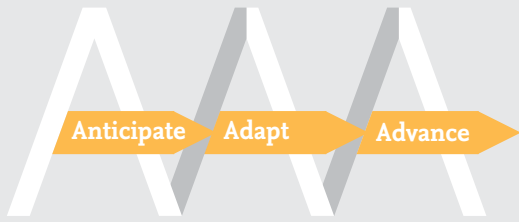
Practicing Company Secretaries

Ritesh Gupta

Proprietor

Place: Pithampur

Date: 07/08/2015



FINANCIAL SECTION

Flexituff International Limited

STANDALONE ACCOUNTS 2014-15

INDEPENDENT AUDITORS' REPORT

To The Members of **Flexituff International Ltd.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s Flexituff International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principle Generally Accepted in India including Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section (11) of Section 143 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Company (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act; and
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:
 - i) the Company has no pending litigations on its financial position in its financial statements.
 - ii) the Company has made provision, as required under the applicable accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts (refer note 27 (A) (i)).
 - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor & Protections by the Company.

For **L.K. Maheshwari & Co.**
Chartered Accountants
FRN No. 000780C
(Abhay Singi)
Partner
Membership No 079873

Indore,
Dated: 28th May 2015

ANNEXURE

TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

- 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.
- ii. (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals during the year other than those lying with Job Workers.
- (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. 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 189 of the Companies Act, 2013 ('the Act). Accordingly, paragraph 3(iii)(a)(b) of the Order is not applicable to the Company.
- 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..
- v. The Company has not accepted any deposits from public. Thus, paragraph 3(ii) of the Order is not applicable.
- vi. According to information and explanation given to us, the Companies is not required to maintain cost records under (Cost Records & Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Act,
- vii. (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:

S. No.	Name of the statute	Nature of dues	Demand (Rs. in Millions)	Amount Paid (Rs. in Millions)	Period to which the Amount relates	Forum where dispute is pending
1	Income Tax Act	Assessment made by A.O. is further enhanced by CIT (A) in respect of Share application money received SEZ Loss u/s 10A & 80HHC deduction	16.05	3.98	A.Y. 2004-05	ITAT
2	Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year, SEZ Loss u/s 10A & 80HHC deduction.	10.13	10.13	A.Y. 2004-05	CIT (A)
3	Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year.	9.88	1.33	A.Y.2005-06	ITAT
4	Income Tax Act	Disallowances in respect of Share Capital Subscribed during the year.	12.73	12.73	A.Y.2005-06	CIT (A)

S. No.	Name of the statute	Nature of dues	Demand (Rs. in Millions)	Amount Paid (Rs. in Millions)	Period to which the Amount relates	Forum where dispute is pending
5	Income Tax Act	Disallowances in respect of SEZ Loss u/s 10 A.	6.03	Nil	A.Y.2006-07	CIT (A)
6	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	6.57	-NA-	A.Y.2003-04	M.P.HIGH COURT
7	Income Tax TDS	Non Deduction of TDS on payment of Lease Rent to MPAKVN and Interest thereon.	0.71	0.35	A.Y.2005-06 to A.Y. 2007-08	CIT(A)
8	M.P. Entry Tax Act, 1976 (U/s 21 Re-open)	Entry tax levied on job work done for SEZ unit	2.41	1.35	F.Y. 2006-07	The Appellate Board, M.P. Tax Tribunal Bhopal / Indore
9	M.P. commercial Tax Act, 1994 (U/s 21 Re-open)	Assessing Office has levied the tax on sale by SEZ unit in Domestic Area	3.83	1.53	F.Y. 2006-07	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
10	Central Sales Tax Act, (U/s 21 Re-open)	Assessing Office has levied the tax on sale by SEZ unit in Domestic Area	0.02	0.008	F.Y. 2006-07	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
11	M.P. Entry Tax Act, 1976	Entry tax levied on job work done for SEZ unit	1.68	1.61	F.Y. 2007-08	The Appellate Board, M.P. Tax Tribunal Bhopal / Indore
12	M.P. Entry Tax Act, 1976 (U/s 21 Re-open)	Entry tax levied on job work done for SEZ unit	1.09	0.31	F.Y. 2007-08	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
13	M.P. commercial Tax Act, 1994	Assessing Office has levied the tax on sale by SEZ unit in Domestic Area	1.96	1.96	F.Y. 2007-08	The Appellate Board, M.P. Tax Tribunal Bhopal / Indore

Annexure to the Independent Auditor's Report (Contd.)

S. No.	Name of the statute	Nature of dues	Demand (Rs. in Millions)	Amount Paid (Rs. in Millions)	Period to which the Amount relates	Forum where dispute is pending
14	M.P. Entry Tax Act, 1976	Entry tax levied on job work done for SEZ unit	2.89	0.88	F.Y. 2008-09	The Appellate Board, M.P. Tax Tribunal Bhopal / Indore
15	M.P. Entry Tax Act, 1976 (U/s 21 Re-open)	Assessing Office has levied the tax on sale by SEZ unit in Domestic Area	1.73	0.43	F.Y. 2008-09	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
16	M.P. commercial Tax Act, 1994	Assessing Office has levied the tax on sale by SEZ unit in Domestic Area	1.05	1.05	F.Y. 2008-09	The Appellate Board, M.P. Tax Tribunal Bhopal / Indore
17	M.P. Entry Tax Act, 1976	Entry tax levied on job work done for SEZ unit	3.72	1.04	F.Y. 2009-10	The Appellate Board, M.P. Tax Tribunal Bhopal / Indore
18	Central Sales Tax Act,	Tax imposed on non receipts of Form -H	0.08	0.08	F.Y. 2009-10	The Appellate Board, M.P. Tax Tribunal Bhopal
19	M.P. commercial Tax Act, 1994	VAT ITR Reversal on Job Work & Stock Transfer	0.61	0.61	F.Y. 2010-11	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
20	M.P. Entry Tax Act, 1976	Entry tax levied on job work done for SEZ unit	0.37	0.09	F.Y. 2010-11	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
21	Central Sales Tax Act,	Tax imposed on non receipts of Form -H	0.31	0.31	F.Y. 2010-11	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
22	Central Sales Tax Act,	Tax imposed on non receipts of Form -H	0.20	0.20	F.Y. 2012-13	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
23	M.P. commercial Tax Act, 1994	Tax imposed on non receipts of Form -H	0.45	0.45	F.Y. 2012-13	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division

Annexure to the Independent Auditor's Report (Contd.)

S. No.	Name of the statute	Nature of dues	Demand (Rs. in Millions)	Amount Paid (Rs. in Millions)	Period to which the Amount relates	Forum where dispute is pending
24	Central Sales Tax Act,	Tax imposed on non receipts of Form -H	0.97	0.97	F.Y. 2012-13	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
25	M.P. commercial Tax Act, 1994	Tax imposed on non receipts of Form -H	0.02	0.02	F.Y. 2012-13	The Appellate Authority and Additional Commissioner of Commercial Tax, Indore Division
26	Uttarakhand VAT Act,2005	Tax imposed on Tax Free Item	1.71	Nil	F.Y. 2010-11, 2011-12	The Deputy Commissioner Appeal Uttarakhand
27	Central Sales Tax Act	Tax imposed on on non receipts of Form C and Tax Free Item	26.75	Nil	F.Y. 2010-11 & 2012-13	The Deputy Commissioner Appeal Uttarakhand
28	Central Sales Tax Act	Appeal for Chargeability of tax on sale of narrow woven fabric	7.81	2.23	F.Y.2011-12	The Deputy Commissioner Appeal Uttarakhand
29	Uttarakhand VAT Act,2005	Assessment under section 25(7) of the Uttarakhand Vat Act, for claim of Vat Input, not paid by selling party	6.00	2.00	F.Y.2013-14 & 2014-15	The Deputy Commissioner Range -1 Uttarakhand

- (c) According to the information and explanation given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. 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.
- ix. 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 or debenture holders.
- x. According to the information and explanations given to us, the Company has given corporate guarantee on behalf

of Nanofil Technologies Private Limited for Rs.0.2 million to Governor of Uttarakhand, which is not prima facie prejudicial to the interest of the company.

- xi. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **L.K. Maheshwari & Co.**
Chartered Accountants
FRN No. 000780C
(Abhay Singi)
Partner
Membership No 079873

Indore,
Dated: 28th May 2015

BALANCE SHEET

AS AT 31ST MARCH 2015

(Rs. in Millions)

S N	Particulars	Note No	As at 31.03.2015		As at 31.03.2014	
I.	EQUITY AND LIABILITIES					
1	Shareholder's Fund					
	a) Share Capital	2	248.83		248.83	
	b) Reserve & Surplus	3	3,492.01	3,740.84	3,350.51	3,599.34
2	Non Current Liabilities					
	a) Long Term Borrowings	4	2,837.51		2,333.16	
	b) Deferred Tax Liability (Net)		369.70		446.75	
	c) Other Long Term Liabilities	5	6.91		1.66	
	d) Long Term Provisions	6	39.46	3,253.58	34.34	2,815.91
3	Current Liabilities					
	a) Short Term Borrowing	7	2,542.79		2,157.27	
	b) Trade Payable	8	1,519.90		1,314.84	
	c) Other Current Liabilities	9	1,224.62		909.57	
	d) Short Term Provisions	10	55.15	5,342.46	71.14	4,452.82
	Total			12,336.88		10,868.07
II	ASSETS					
1	Non Current Assets					
	a) Fixed Assets	11				
	I) Tangible Assets			6552.96		4713.81
	II) Intangible Assets			215.60		137.16
	III) Capital Work in Progress			44.98		997.14
	b) Non Current Investments	12		12.85		12.62
	c) Long Term Loans and Advances	13		28.25		26.15
	d) Other Non Current Assets			-		-
2	Current Assets					
	a) Inventories	14	1,218.46		992.82	
	b) Trade Receivable	15	2,631.44		2,373.02	
	c) Cash & Cash Equivalents	16	296.31		263.25	
	d) Short Term Loans & Advances	17	1,336.03	5,482.24	1,352.10	4,981.19
	Total			12,336.88		10,868.07
	Significant Accounting Policies and Notes on Financial Statements	1-27				

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 : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH 2015

(Rs. in Millions)

S N	Particulars	Note No	Year Ended 31.03.2015		Year Ended 31.03.2014	
I.	REVENUE FROM OPERATION	18		10,477.91		9662.58
II.	OTHER INCOME	19		93.73		94.28
III.	TOTAL REVENUE (I +II)			10,571.64		9,756.86
IV.	EXPENSES					
	Cost of Material Consumed	20		5,071.70		4605.41
	Purchases of stock in trade	21		1,845.13		1670.32
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	22		(57.17)		104.07
	Employee Benefit Expense	23		1,259.64		1077.30
	Financial Costs	24		670.25		563.53
	Depreciation and Amortization Expenses	11		452.17		262.00
	Provision for Foreign Exchange Fluctuation			(28.35)		91.46
	Other Expenses	25		1,237.70		1082.20
	Total			10,451.07		9,456.29
V.	PROFIT BEFORE TAX (PRIOR TO EXTRA ORDINARY ITEMS)			120.57		300.57
VI.	EXTRA ORDINARY ITEMS	26				100.37
VII.	PROFIT BEFORE TAX (V-VI)			120.57		200.20
VIII.	TAX EXPENSES					
	Current Tax		25.27		41.97	
	Less : Mat Credit Entitlement		25.27		41.97	
	Net Current Tax		-		-	
	Deferred Tax		(77.05)	(77.05)	72.50	72.50
IX.	NET PROFIT FOR THE YEAR			197.62		127.70
	Earning per share					
	Basic			7.94		5.44
	Diluted			5.86		3.94
	Significant Accounting Policies and Notes on financial statements	1-27				

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 : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 ST MARCH 2015

(Rs. in Millions)

S N	Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
A)	CASH FLOW FROM OPERATING ACTIVITY				
	Net Profit before tax		120.57		300.57
	Adjustment for :				
	Depreciation & Amortisation		452.17		262.00
	Loss on sale of Investment				45.49
	Extra Ordinary Items				(100.37)
	Loss /(Gain) on Assets Retirement		(0.15)		4.39
			572.59		512.08
	Interest & Financial Charges		670.25		563.53
	Operating Profit before Working Capital changes		1,242.84		1,075.61
	Adjustment for				
	Trade Receivable	(258.42)		(218.67)	
	Inventories	(225.65)		90.46	
	Other Assets	39.01		(274.30)	
	Current Liabilities	520.14	75.08	(122.74)	(525.25)
	Cash from Operating Activity		1,317.92		550.36
	Direct Taxes Paid (net)		(42.02)		(73.66)
	Net Cash from Operating Activity (A)		1,275.90		476.70
B)	CASH FLOW FROM INVESTING ACTIVITY				
	Purchase of Fixed Assets / CWIP	(1444.38)		(1668.85)	
	Proceeds from sale of Investment	-		46.61	
	Sale Proceed from Assets Retirement	0.68		1.00	
	Net Cash used in Investing Activity (B)		(1443.70)		(1621.24)
C)	CASH FLOW FROM FINANCING ACTIVITY				
	Equity Share Issued/Share Premium	-		419.60	
	Net Proceeds/Payment from Long Term Borrowing	514.71		1072.05	
	Net Proceeds from Short Term Borrowing	385.52		268.08	
	Payment of Dividends	(29.11)		(26.71)	
	Payment of Interest & Financial Charges	(670.25)		(563.53)	
	Net Cash used in Financing Activity (C)		200.87		1,169.49
	Net Increase in Cash & Cash Equivalents	(A+B+C)	33.07		24.95
	Opening Balance in Cash & Cash Equivalents		263.25		238.30
	Closing Balance in Cash & Cash Equivalents		296.32		263.25

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

(Abhay Singi)

Partner

Membership No. 079873

Place : Indore

Date : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary

NOTES

FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31ST, 2015

NOTE 01 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, 2013, as applicable on the Company.

2. Revenue recognition

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

3. Fixed assets

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

4. Depreciation / amortization

- Pursuant to the enactment of the Companies Act 2013 (the 'Act') being effective from 1 April 2014, the company revised depreciation rates of fixed assets as per useful life specified in Schedule II of the Act.

- For certain class of assets, the depreciation rates have been revised on the basis of internal technical valuation and assessment.
- Consequently, the depreciation charged for the year ended 31st March 2015 is higher by Rs.127.67 million. Further in accordance with the requirements of Schedule II of the Act, depreciation of Rs.26.25 million has been adjusted in Reserves and Surplus for the assets where remaining useful life as per Schedule II/ technical estimated had already exhausted as on 1st April 2014.
- Leased Assets are amortized over the operating period of lease.

5. Employee benefits

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

6. Investment

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

7. Valuation of inventory

- a) Inventories are valued at historical cost and net

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 01 Significant Accounting Policies (Contd.)**

realizable 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. 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 has recognized currency exchange difference of Rs 259.5 millions on FCCB of \$ 34 Millions on 31-3-2015 by capitalizing it to fixed assets created out of proceeds of FCCB

9. 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 Millions)

Particulars	As at 31st March 2015	As at 31st March 2014
A) DEFERRED TAX LIABILITY		
Net Block as per books	6,585.07	4668.06
Net Block as per Income Tax	4,521.29	3023.95
Less : Differences reversing during tax holiday period		61.88
Timing Difference	2,063.78	1582.23
Deferred tax liabilities on the timing difference	637.71	513.35
Opening Balance	513.36	440.33
Deferred Tax Liability Created	124.35	73.02
Closing Balance (A)	637.71	513.35
B) DEFERRED TAX ASSETS		
Opening Balance	66.60	66.08
Deferred Tax Assets created	201.41	0.52
Cumulative Deferred Tax Assets (B)	268.01	66.60
Net Deferred Tax Liability (A-B)	369.70	446.75

10. 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"

11. 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.

12. 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 Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

NOTE 02 SHARE CAPITAL

(Rs. in Millions)

Particulars	As at 31.03.2015	As at 31.03.2014
AUTHORISED		
40000000 Equity Shares of Rs 10/- each (P.Y. 40000000 Equity Shares of Rs 10/- each)	400.00	400.00
	400.00	400.00
ISSUED, SUBSCRIBED, CALLED & PAID UP		
24882806 Equity Shares of Rs.10/-each fully paid up (Previous year 24882806 Equity Shares of Rs.10/-each fully paid up)	248.83	248.83
Total	248.83	248.83

Name of the Shareholder	No. of Shares	% Held	No. of Shares	% Held
2.1 Details of Shareholders holding more than 5% shares :				
A. Kalani Industries Pvt. Ltd.	3,621,730	14.56	3,621,730	14.56
B. Clearwater Capital Partners(Cyprus)Ltd.	2,197,037	8.83	2,235,754	8.99
C. International Finance Corporation.	1,902,173	7.64	1,902,173	7.64
D. Saurabh Properties Pvt. Ltd.	1,637,905	6.58	1,746,905	7.02
E. Miscellani Global Pvt. Ltd.	1,359,163	5.46	1,359,163	5.46
2.2 The reconciliation of the number of shares outstanding is set out below :				
Equity Shares at the beginning of the year	24,882,806		22,980,633	
Add : Shares issued in Initial Public Offer	-		-	
Add: Conversion of Fully Convertible Debenture	-		-	
Add: Conversion of Warrants into Equity Shares	-		-	
Add: Allotment on Private placement basis	-		1,902,173	
Add : Shares issued on exercise of Employee Stock Options	-		-	
Equity Shares at the end of the year	24,882,806		24,882,806	
2.3 There are 335250 options pending under Employees Stock Option Scheme 2011				

NOTE 03 RESERVE & SURPLUS

(Rs. in Millions)

Particulars	As at 31.03.2015	As at 31.03.2014
i) Capital Reserve :		
a. SEZ Re-Investment Allowance Reserve	59.58	162.91
Add :- Addition during the year	-	-
	59.58	162.91
Less :- Utilized during the year	33.32	103.33
	26.26	59.58
ii) Securities Premium Account :		
Opening Balance	2055.07	1654.49
Addition during the year	-	418.48
Less : Utilization during the year against Private Placement	-	17.90
Closing Balance	2,055.07	2055.07

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 03 Reserve & Surplus (Contd.)**

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
iii)	Other Reserves :				
a.	General Reserve Account				
	Opening Balance	140.50		140.50	
	Less :- Utilized during the year	26.26	114.24	-	140.50
iv)	Profit & Loss Account :				
	Opening Balance	1095.36		893.45	
	Addition during the year	197.62		127.70	
	Add : SEZ Re-Investment Allowance Reserve Utilization A/c	33.32		103.33	
	Less : Utilization during the year :				
a.	Proposed Dividend	24.88		24.88	
b.	Dividend for Earlier years	-		-	
b.	Dividend Distribution Tax	4.98		4.24	
	Closing Balance		1,296.44		1095.36
			3,492.01		3350.51

NOTE 04 LONG TERM BORROWINGS

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
A	SECURED TERM LOANS :				
I	From Banks :				
a	UCO Bank, Indore -(1080,3428) * (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement wef 11.07.08 & 18.12.09, present rate of interest -14.50 % P A) This loan has been converted into Foreign Currency Term Loan on 20-02-2015		136.29		231.30
b	UCO Bank, Indore 1936 (Payable in 24 unequal quarterly Instalments after 6 month from the date of disbursement wef 26.03.2009, present rate of interest - 14.50 % P A)		-		26.76
c	UCO Bank, Indore 3923 (Payable in 17 unequal Quarterly Instalments after 11 months from the date of disbursement i.e. 20.03.2010, present rate of interest -14.50 % P A)		-		49.59
d	ING Vysya Bank Ltd, Indore (Payable in 16 quarterly Instalments of Rs 84.35 lacs & 8 quaterly instalments of Rs 18.80 lac, date of disbursement 13.08.2012, present rate of interest -12.35% PA)		65.65		99.39
e	State Bank of India, Indore (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement wef 29.08.2008, present rate of interest -14.50 % P A)		16.11		48.50

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

Note 04 Long Term Borrowings (Contd.)

		(Rs. in Millions)			
Particulars		As at 31.03.2015		As at 31.03.2014	
	f	Central Bank of India, Indore (Payable in 24 quarterly Instalments, wef 30.08.2008, present rate of interest -14.50 % PA)		6.40	26.05
	g	Punjab National Bank, Indore (Payable in 24 quarterly Instalments after 1 year from the date of disbursement wef 03.09.2008, present rate of interest - 14.50 % P A)		39.45	82.30
	h	State Bank of India, Indore (Payable in 7 years (24 quarterly Instalments) after 1.25 year from the date of disbursement wef 31.12.2009, present rate of interest 14.50 % P A)		24.09	44.38
	i	State Bank of Patiala, Indore (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 - 14.65 % P A)		37.07	62.79
	j	State Bank of Patiala, Indore (Payable in 11 quarterly Instalments of Rs 25.00 lacs from the date of disbursement wef 30.03.2014, present rate of interest - 14.65 % P A)		14.90	27.40
	k	Punjab National Bank, Indore (Payable in 23 quarterly Instalments after 1.5 year from the date of disbursement wef 20.05.2010, present rate of interest -14.50 % P A)		28.64	55.91
	l	Central Bank of India, Indore (Payable in 24 quarterly Instalments, wef 31.12.12, present rate of interest - 14.50 % PA)		55.52	75.42
	m	Central Bank of India, Indore (Payable in 19 quarterly Instalments after 6 months from the date of disbursement wef 30.06.2015, present rate of interest -14.50 % P A)		249.30	-
	n	Bank of Baroda (Payable in 20 quarterly Instalments after 10 months from the date of disbursement wef 30.06.2015, present rate of interest -13.50 % P A)		241.06	-
		Sub Total		914.48	829.79
II	From Financial Institutions :				
	a	G E Capital Services, India (36 months from the date of first Draw down dtd. 27.09.2012, present rate of interest @ 14.00 % PA)		38.32	114.81
	b	G E Money Services Pvt. Ltd (36 months from the date of first Draw down dtd. 27.09.2014, present rate of interest @ 14.00 % PA)		236.85	-
		Less : Current maturities of long term debt		480.20	480.00
	Sub Total			709.45	464.60

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 04 Long Term Borrowings (Contd.)**

		(Rs. in Millions)	
Particulars		As at 31.03.2015	As at 31.03.2014
B	UNSECURED LOANS :		
i.	Tpg Growth Ii Sf Pte. Ltd, Singapore (5.44% Foreign Currency Convertible Bonds of USD 25.00 million)	1564.75	1338.75
ii.	International Finance Corporation (Ifc) : (5.34% Foreign Currency Convertible Bonds of USD 9.00 million)	563.31	529.81
TOTAL		2,837.51	2333.16

Nature of security on secured loans :

- Term Loans (a),(b),(c), (d), (e), (f), (g), (h) (i), (j), (k) and (l) are secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets (except specific equipment finance through GE Capital Services India) and a second charge on all current assets of the company. Above Term loans are further secured by Personal Guarantee of Shri Manish Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- Term Loan (m) is secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets (except specific equipment finance through GE Capital Services India) & a second charge on all current assets of the company. Above Term loans is further secured by Personal Guarantee of Shri Manish Kalani, Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- Term Loan (n) is secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets and a second charge on all current assets of the company (except specific equipment finance through GE Capital Services India). Above Term loan is further secured by Personal Guarantee of Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- In case of G E Capital Services India - (i) First and exclusive charge over Equipment financed through the Facility in accordance with the Deed of Hypothecation. (ii) Personal Guarantee of Mr. Manish Kalani. (iii) Corporate Guarantee of M/s Kalani Industries Pvt Ltd.
- Term Loan from GE Money Financial services pvt. Ltd. is secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets (except specific equipment finance through GE Capital Services India) and a second charge on all current assets of the company. Above Term loans is further secured by Personal Guarantee of Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.

NOTE 05 OTHER LONG TERM LIABILITY

		(Rs. in Millions)	
Particulars		As at 31.03.2015	As at 31.03.2014
Vehicle Loans (Vehicle Loan are secured by Hypothecation of the respective Vehicles of the Company)		8.44	3.39
Less : Current maturities of other long term debt		1.53	1.73
		6.91	1.66

NOTE 06 LONG TERM PROVISION

		(Rs. in Millions)	
Particulars		As at 31.03.2015	As at 31.03.2014
Outstanding Group Gratuity Contribution		39.46	34.34

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

NOTE 07 SHORT TERM BORROWING

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
(A)	SECURED WORKING CAPITAL LOANS				
i)	UCO Bank, Indore				
	Cash Credit Loan	270.47		264.76	
	Export Packing Credit	35.17	305.64	172.51	437.27
ii)	Punjab National Bank, Indore				
	Cash Credit Loan	153.51		139.31	
	Export Packing Credit	209.10	362.61	206.40	345.71
iii)	Central Bank of India, Indore				
	Cash Credit Loan	244.40		194.62	
	Export Packing Credit	226.23	470.63	192.23	386.85
iv)	State Bank of Patiala, Indore				
	Cash Credit Loan	65.95		20.88	
	Export Packing Credit	59.02	124.97	57.88	78.76
v)	Axis Bank Ltd., Indore				
	Cash Credit Loan		150.69		145.61
vi)	ICICI Bank Ltd., Indore				
	Cash Credit Loan		-		221.57
vii)	ING Vysya Bank, Indore				
	Cash Credit Loan	108.75		141.53	
	EPC & PCFC	52.50	161.25	109.44	250.97
viii)	Chinatrust Commercial Bank, New Delhi				
	Cash Credit Loan	(3.82)		(1.42)	
	Export Packing Credit	116.43	112.61	30.39	28.97
ix)	SBER BANK NEWDELHI				
	Cash Credit Loan		249.34		249.06
x)	Bank of Baroda CC a/c 0341, Bandra				
	Cash Credit Loan	115.00		-	
	EPC & PCFC	134.75	249.75	-	-
xi)	Tamilnad Mrecantile Bank Ltd.				
	Cash Credit Loan- I	202.30		-	
	Cash Credit Loan- II	150.00	352.30	-	-
	TOTAL (A)		2,539.79		2,144.77

- 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, Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
(B)	UNSECURED LOANS FROM OTHERS		3.00		12.50
	TOTAL (A +B)		2,542.79		2157.27

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 08 TRADE PAYABLES**

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
Trade Creditors		1519.90		1314.84

NOTE 09 OTHER CURRENT LIABILITIES

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
i) Creditors for Capital Goods		51.56		57.70
ii) Creditors for Supplies & Services		606.54		260.46
iii) Tax Payable		20.16		11.69
iv) Proposed / Unpaid Dividend		0.13		-
v) Current maturities of long term debt		480.20		480.00
vi) Current maturities of other long term debt		1.53		1.73
vii) Current maturities of long term debt related to forex fluctuation (FCTL)		55.75		85.92
viii) Provision for M2M forex fluctuation		-		3.88
ix) Accrued Interest on TL		8.75		8.19
		1,224.62		909.57

NOTE 10 SHORT TERM PROVISION

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
i) For Income Tax		25.27		41.97
ii) For Wealth Tax		0.02		0.05
iii) For Proposed Dividend		24.88		24.88
iv) For Dividend Tax		4.98		4.24
		55.15		71.14

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

NOTE 11 FIXED ASSETS

SN	Name of the Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK			
		As on 01.04.2014	Addition	Deduction	As on 31.03.2015	As on 01.04.2014	Reserve Transfer	Written Back	Amorti- sation	For the Period	As on 31.03.2015	As on 31.03.2014	
A. TANGIBLE ASSETS													
1	Land (Lease Hold)	24.75	-	-	24.75	2.27	-	-	0.73	-	3.00	21.75	22.48
2	Land (Free Hold)	160.44	1.29	-	161.73	-	-	-	-	-	-	161.73	160.44
3	Factory Building	837.82	378.55	-	1,216.37	136.45	-	-	-	27.34	163.79	1,052.58	701.37
4	Plant & Machinery	4,317.70	1,851.15	-	6,168.85	762.73	0.04	-	-	318.85	1,081.62	5,087.23	3,554.97
5	Electric Installation	206.63	29.34	-	235.97	44.47	5.13	-	-	30.94	80.54	155.43	162.16
6	Furniture & Fixtures	41.05	1.93	-	42.98	12.82	2.75	-	-	4.74	20.31	22.67	28.23
7	Office Equipments	74.87	4.36	-	79.23	13.13	12.69	-	-	22.32	48.14	31.09	61.74
8	Vehicles - Cars	19.14	8.02	3.18	23.98	7.67	1.62	-	-	2.23	8.87	15.11	10.47
9	Vehicles - Others	0.18	-	-	0.18	0.12	-	-	-	0.02	0.14	0.04	0.06
10	Computer	24.98	2.33	-	27.31	14.09	4.02	-	-	3.87	21.98	5.33	11.89
	Sub Total	5,707.56	2,276.97	3.18	7,981.35	993.75	26.25	2.65	0.73	410.31	1,428.39	6,554.96	4,713.81
B. INTANGIBLE ASSETS													
1	Patent	0.97	-	-	0.97	0.42	-	-	-	0.10	0.52	0.45	0.55
2	Development Assets	147.11	119.59	-	266.70	10.50	-	-	-	41.06	51.56	215.14	136.61
	Sub Total	148.08	119.59	-	267.67	10.92	-	-	-	41.16	52.07	215.60	137.16
	Total	5,855.64	2,396.56	3.18	8,249.02	1,004.67	26.25	2.65	0.73	451.47	1,480.46	6,770.56	4,850.97
	Previous year	4,863.88	1,008.34	16.58	5,855.65	753.87	-	11.19	0.02	261.98	1,004.67	4,850.97	4,110.02

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 12 INVESTMENTS**

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
In Subsidiary : unquoted (at Cost)					
i)	Flexiglobal Holding Ltd.,Cyprus (Wholly Owned Subsidiary of the company) (200000 (previous year 2000000) Equity Shares of Euro 1 /- each partly paid up)		12.52		12.52
ii)	Nanofil Technologies Private Limited (Wholly Owned Subsidiary of the company) (10000 Equity Share of Rs. 10/- each fully paid)		0.10		0.10
In Jointly Controlled Entities					
i)	Flexituff SA Enterprises LLP		0.07		-
ii)	Flexituff Javed LLP		0.08		-
iii)	Flexituff Hi Tech LLP		0.08		-
			12.85		12.62

NOTE 13 LONG TERM LOANS AND ADVANCES

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
Sundry Deposits			28.25		26.15

NOTE 14 INVENTORIES

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	Raw Materials		291.94		130.43
ii)	a) Finished Goods	83.80		198.28	
	b) Semi-Finished Goods	401.10		369.74	
	c) Waste / Scrap	7.69		3.87	
	d) Stock at Depot.	274.70	767.29	138.24	710.13
iii)	Store & Spares parts & Stationary/Transit/Aggl stock		157.70		150.74
iv)	Loose Tools / Paintings		1.53		1.52
			1,218.46		992.82

NOTE 15 TRADE RECEIVABLES

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	Exceeding six months from the date they are due for payment		80.03		70.71
ii)	Others		2551.41		2302.31
			2,631.44		2373.02

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 16 CASH & CASH EQUIVALENTS**

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	Cash in Hand		2.76		2.57
ii)	Balance with Scheduled Banks :				
	a) - In Current Accounts	71.76		60.49	
	b) - In Margin Money Deposit Accounts	219.52		195.49	
	c) - Other FDRs	2.27	293.55	4.70	260.68
			296.31		263.25

NOTE 17 SHORT TERM LOANS & ADVANCES

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	Loans and advances to related parties				
	a) Flexiglobal Holding Ltd., Cyprus		17.50		15.35
	b) Nanofil Technology Kashipur		35.26		188.22
	c) Flexituff SA Enterprises LLP		25.96		-
	d) Flexituff Javed LLP		0.18		-
	e) Flexituff Hi Tech LLP		0.10		-
ii)	Others				
	a) Advance against Supplies & Expenses		509.06		479.52
	b) Advance to Staff & Workers		9.84		11.01
	c) Advance recoverable in cash or in kind or value to be received		57.47		25.57
	d) Sundry Deposits		23.32		15.12
	e) Sundry Recoverables		620.00		589.76
	f) Tax Deducted at Source		3.93		5.30
	g) Balance With Excise Authorities		33.41		22.25
			1,336.03		1352.10

NOTE 18 REVENUE FROM OPERATIONS

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
Sale of Products					
i)	Export Sales		6356.23		5873.31
ii)	Domestic Sales & Receipts		4237.24		3956.71
	Less : VAT		24.27		21.18
	Less : Excise Duty		91.29		146.26
			10,477.91		9662.58

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 19 OTHER INCOME**

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Interest Income		20.13		24.29
ii)	Other Non Operating Income				
a)	Profit on sale of Agglo / Granules etc.		-		2.78
b)	Profit on sale of Scrap / Assets		1.90		-
c)	Incremental Growth Benefit		12.05		-
d)	Sales of Licence (FPS Scheme) / Import Licence		38.66		52.40
e)	Misc Receipts / Monopoly Rights/ Insurance Claim Rect		20.99		14.81
			93.73		94.28

NOTE 20 COST OF MATERIAL CONSUMED

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
Raw Material Consumed					
i)	Granuels, Master Batch etc.		4381.60		3922.92
ii)	Others Material (Stores)		516.79		549.68
iii)	Misc Consumable goods		173.31		132.81
			5,071.70		4605.41

NOTE 21 PURCHASES OF STOCK IN TRADE

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Purchase of Traded goods		1845.13		1670.32
			1,845.13		1670.32

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

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Closing Stock				
a)	Finished	83.80		198.28	
b)	Semi Finished	401.10		369.74	
c)	Waste/Scrap	7.69		3.87	
d)	Stock at Depot / Transit	274.70	767.29	138.24	710.13
ii)	Less : Opening Stock				
a)	Finished	198.28		290.93	
b)	Semi Finished	369.74		368.31	
c)	Waste/Scrap	3.87		7.71	
d)	Stock at Depot / Transit	138.23	710.12	147.25	814.20
			57.17		(104.07)

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

NOTE 23 EMPLOYEE BENEFIT EXPENSES

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Labour charges		120.63		125.30
ii)	Factory Salary & Wages & Bonus		894.40		728.26
iii)	Provident Fund & ESI Contribution		69.71		51.66
iv)	Administrative Salaries & Allowances		130.80		130.77
v)	Staff & Workmen Welfare Expenses		44.10		41.31
			1,259.64		1077.30

NOTE 24 FINANCE COST

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
A	Interest Expenses				
i)	Interest on Term Loan		65.93		88.92
ii)	Interest on Working Capital		324.51		229.67
iii)	Interest to Others		22.34		9.11
iv)	Interest on Income Tax		5.41		7.06
B	Other Borrowing Cost				
i)	Bills Discounting Charges		125.59		108.73
ii)	Misc Bank Charges		127.04		119.23
C	Foreign Exchange Fluctuation		(0.57)		0.81
			670.25		563.53

NOTE 25 OTHER EXPENSES

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
(A)	Manufacturing Expenses				
i)	Power & Fuel		306.17		287.58
ii)	Rent, Rates and Taxes		7.34		4.76
iii)	Jobwork expenses		101.57		78.93
iv)	Consumption of Stores & Spare parts		124.55		97.06
v)	Repairs & Maintenance		10.78		3.92
vi)	Freight Inward		38.24		22.20
vii)	Entry Tax		17.87		15.15
viii)	Laboratory and R & D Expenses		1.76		0.84
ix)	Factory Expenses		1.86		1.84
			610.14		512.28
(B)	Administrative Expenses				
i)	Courier & Telephone Expenses		18.24		15.77
ii)	Vehicle Running Expenses		8.43		8.40
iii)	Insurance Charges		11.69		11.51
iv)	Rent for Office / Guest House		5.25		5.63
v)	Legal and Professional Charges		79.02		88.03
vi)	Miscellaneous Expenses		38.95		48.82
vii)	Corporate Social Responsibility Expenses		7.23		-
viii)	Provision for Wealth tax		0.03		0.05
			168.84		178.21

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 25 Other Expenses (Contd.)**

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
(C)	Selling Expenses				
i)	Freight & Carriage Outward		362.04		308.49
ii)	Travelling Expenses				
	a) Directors	7.02		3.19	
	b) Staff	27.33	34.35	22.32	25.51
iii)	Advt., Newspaper & Periodicals		0.40		0.35
iv)	Inspection Charges		5.31		5.62
v)	ECGC Premium		9.35		7.79
vi)	Tender Fees & Form Expenses		0.07		0.05
vii)	Rebate & Discount on Sale :				
	a) Domestic Sale	28.98		30.79	
	b) Export sale	-	28.98	0.53	31.32
viii)	Business Promotion Expenses		8.82		7.64
ix)	Commission on Sales:				
	a) Domestic Sale	7.38		4.60	
	b) Export sale	2.02	9.40	0.34	4.94
	x) Value Added Tax/Commercial Tax/CST		458.72		458.72
	Total of Other Expenses (A+B+C)		1,237.70		1,237.70

NOTE 26 EXTRA ORDINARY ITEMS

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Prior Period Expenses		-		6.87
ii)	Debtor settlement by US Court		-		43.34
iii)	Misc. Balance w/o		-		4.67
iv)	Loss on Sale of Investment		-		45.49
			-		100.37

NOTE 27 NOTES ON ACCOUNTS**A. Contingent liabilities and commitments**

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.03 million (Previous Year Rs. 275.57 million).
- ii. Guarantee given by Banks on behalf of the Company for Rs. 73.45 million (Previous year Rs. 47.06 million).
- iii. On account of Letter of Credit for Rs. 131.21 million (Previous year Rs. 40.36 million).
- iv. Foreign Bills Discounted with Bank Rs. 287.04 million (Previous year Rs. 225.33 million).

- v. Corporate Guarantee given by the Company is as under:

Sr.	Given in favour of	Given on behalf of	Amount
1	Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd., Kashipur	Rs. 0.2 million (Previous Year Rs. 0.2 million)

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

Note 27 Notes on Accounts (Contd.)

v. Outstanding of Taxes on account of disputes are as follows :

- (a) The company filed appeal before CIT(A) / ITAT and contested Income Tax demand for the A.Y. 2004-05, 2005-06 and 2006-07 for Rs.26.19 million, Rs.22.62 million & Rs. 6.03 million respectively and also contested TDS demand for the A.Y.2005-06 to 2007-08 Rs. 0.71 million.
- (b) The Income Tax department has filed an appeal before the M.P.High Court, challenging the order of ITAT passed in favor of Company for the A.Y.2003-04. The amount of tax and penalty is Rs 6.57 million and Rs. 1.45 million respectively.
- (c) The company has contested M.P.VAT/CST. demand for F.Y. 2006-07, 2007-08, 2008-09, 2009-10, 2010-11,2011-12 & 2012-13 for Rs. 3.85 million, Rs. 1.96 million, Rs. 1.05 million, Rs. 4.38 million, Rs.0. 92 million, Rs. 0.65 million & Rs.0.99 million respectively and Entry Tax demand for F.Y. 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11 for Rs. 2.42 million, Rs.2.77 million, Rs. 4.62 million, Rs. 3.72 million & Rs. 0.37 million respectively as per legal opinion obtained.
- (d) The company has contested VAT/CST Demand for FY 2010-11, 2011-12, 2012-13,2013-14 & 2014-15 for Rs 20.55 million, Rs 8.92 million, Rs. 6.81 million, Rs 4.0 million & Rs.2.0 million respectively at Kashipur unit.

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

C. Earnings 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. 197.62 million
(Previous year Rs. 127.70 million) 24882806 Equity Shares (Previous year 24882806 Equity Shares)
- (b) Weighted average number of equity Shares outstanding during the year
- 24882806 Equity Shares (Previous year 23460085 Equity shares)
- (c) Effects of potential dilutive equity share
- 8860846 Equity Shares (Previous year 8943542 Equity Shares)
- (d) Weighted average number of equity in computing diluted earning per share
- 33743652 Equity Shares (Previous year 32403627 Equity Shares)
- (e) Earning per share:
- Basic [(a)/(b)] Rs. 7.94
(Previous year Rs. 5.44)
- Diluted [(a)/(d)] Rs. 5.86
(Previous year Rs. 3.94)

D. During the year the Company has booked amount of interest subsidy of Rs.7.91 million (Previous year Rs. 13.83 million) and the same has been credited in interest paid on term loan account.

F. 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.

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

(Rs. in Millions)

	Subsidiaries	Key Management Personnel and their Relatives	Joint Entities	Total
Sale of Goods	112.77	-	63.21	175.98
Purchases of Goods/Expenses	328.44	-	-	328.44
Rendering of services	18.06	-	0.01	18.07
Receiving of services	4.94	24.83	-	29.77
Finance	1.68		26.02	27.70

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 27 Notes on Accounts (Contd.)****Names of related parties and description of relationship:**

1. Subsidiaries : Flexiglobal Holdings Ltd., Cyprus- Wholly Owned Subsidiary
Nanofil Technologies Pvt. Ltd.- Wholly Owned Subsidiary
2. Joint Entities : Flexituff S.A. Enterprises LLP
Flexituff Javed Ahmed LLP
Flexituff Hi-Tech LLP
3. Key Management Personnel : Mr. Saurabh Kalani, WTD
Mr. Mahesh Sharma (CEO)
Mr. Dilip Parikh (CFO)
Mr. D. K. Sharma, WTD (w.e.f.12-8-2014)
Mr. K.K. Vijayvergiya, WTD (up to 12-8-2014)
Mr. Manoj Dwivedi, WTD (upto 31-3-2015)
Mr. Rishab Jain (Company Secretary)
4. Relatives of Key Management Personnel : Mrs. Padma Kalani,
Mr. Manish Kalani
Mr Kartikeya Kalani
Mr. Vinayak Kalani
Mrs. Monica Sharma
Mrs. Kaushalya Vijayvergiya

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

L. Quantitative & Other informations

		Quantity		(Rs.in Millions)
(i)	Turnover			
	Bags	117,060,457	Nos	7,753.95 *
		(113,877,399)	Nos	(7,444.41) *
	Fabrics	10,313,110	Kgs	
		(9,088,354)	Kgs	
	P.P. Compound/ Other	1,735,280	Kgs	
		(2,564,758)	Kgs	2,723.95 *
	Liner, Thread & Belts etc.	196,563	Kgs	(2,217.49) *
		(107,563)	Kgs	
	Waste & Reprocessed Granual	2,155,230	Kgs	
		(2,042,961)	Kgs	
	Job Work Receipts			Nil
				(0.69)
* Amount Net of Excise Duty/VAT/CST etc. and Inclusive of Export Incentive.				
(ii)	Raw Material Consumed			
	Granuels, Master Batch etc.			4,381.60
				(3,922.92)
	Others Raw Material & Purchases			690.09
				(682.49)
(iii)	Op. & Cl. Stock of Finished Goods			
a.	Opening Stock -			
	- Bags			205.57
				(331.21)

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

Note 27 Notes on Accounts (Contd.)

	- P.P. Compound/Thermoforming Product/Other	130.93
		(106.97)
b.	Closing Stock	
	- Bags	127.62
		(205.57)
	- P.P. Compound/Thermoforming Product/Other	230.88
		(130.93)
(iv)	Value of Material Imported (CIF)	636.27
		(363.14)
(v)	Expenditure in Foreign Currency	
i)	for Travelling	16.84
		(10.66)
ii)	for Machinery & Spares	377.49
		(392.60)
iii)	for Other Expenses	144.46
		(118.18)

		Value (Rs)	Imported (%)	Value (Rs)	Indigenous (%)
(vi)	Value of imported and indigenous material consumed and percentage of total consumption				
a)	Raw Material	601.59	13.73%	3,780.01	86.27%
		(251.52)	(6.41%)	(3,671.40)	(93.59%)
b)	Stores & other Purchases	146.39	21.21%	543.70	78.79%
		(94.73)	(13.88%)	(587.76)	(86.12%)

(Rs.in Millions)

		2014-15	2013-14
(vii)	Earning in Foreign Exchange		
	Export Sales (F.O.B)	6,116.24	(5,403.61)
(viii)	Payment to Auditors		
i)	Audit Fees	1.35	(1.00)
ii)	Tax Audit Fees	0.40	(0.15)
iii)	For Other Work	0.33	(1.01)
		2.08	(2.16)

Figures given in brackets are pertaining to previous year and reclassify as per current year classification if any.

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 : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

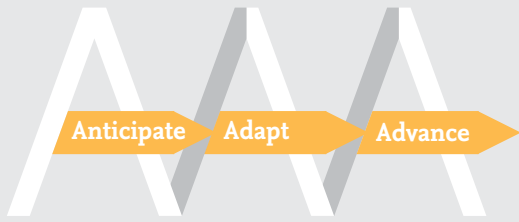
Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary



Flexituff International Limited

CONSOLIDATED ACCOUNTS 2014-15

INDEPENDENT AUDITORS' REPORT

To The Members of **Flexituff International Ltd.**

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s Flexituff International Limited ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principle Generally Accepted in India including Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We did not audit the financial statements of subsidiaries, whose financial statements reflect the total assets of Rs. 804.36 millions as at March 31, 2015 and total revenues of Rs. 1249.53 millions 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company and Subsidiary Company incorporated in India, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Company (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act; and
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) the Company has made provision, as required under the applicable accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor & Protections by the Company.

For **L.K. Maheshwari & Co.**
Chartered Accountants
FRN No. 000780C
(Abhay Singi)
Partner
Membership No 079873

Indore,
Dated: 28th May 2015

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2015

(Rs. in Millions)

S N	Particulars	Note No	As at 31.03.2015		As at 31.03.2014	
I.	EQUITY AND LIABILITIES					
1	Shareholder's Fund					
	a) Share Capital	2	248.83		248.83	
	b) Reserve & Surplus	3	3,540.43	3,789.26	3,393.13	3,641.96
2	Minority Interest					
3	Non Current Liabilities					
	a) Long Term Borrowings	4	2,895.27		2,397.32	
	b) Deferred Tax Liability (Net)		371.17		448.32	
	c) Other Long term liabilities	5	9.05		1.66	
	d) Long term provisions	6	39.46	3,314.95	34.34	2,881.64
4	Current Liabilities					
	a) Short Term Borrowing	7	2,725.92		2,308.02	
	b) Trade Payable	8	1,979.77		1,813.64	
	c) Other current liabilities	9	1,272.86		958.01	
	d) Short term Provisions	10	58.48	6,037.03	73.05	5,152.72
	Total			13,141.24		11,676.32
II	ASSETS					
1	Non Current Assets					
	a) Fixed Assets	11				
	I) Tangible Assets		6,698.52		4,870.00	
	II) Intangible Assets		235.63		161.38	
	III) Capital Work in Progress		44.98	6,979.13	997.14	6,028.52
	IV) Goodwill on consolidation					
	b) Non Current Investments			12.78		11.96
	c) Long term loans and advances	12		28.25		26.17
	d) Other non-current assets	13		-		0.01
2	Current Assets					
	a) Inventories	14	1,490.32		1,296.58	
	b) Trade Receivable	15	2,985.53		2,769.29	
	c) Cash & Cash Equivalents	16	306.88		279.44	
	d) Short term loans & Advances	17	1,338.35	6,121.08	1,264.35	5,609.66
	e) Other Current Assets		-		-	
	Total			13,141.24		11,676.32
	Significant Accounting Policies and Notes on financial statements					

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 : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary

STATEMENT OF CONSOLIDATED PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH 2015

(Rs. in Millions)

S N	Particulars	Note No	Year Ended 31.03.2015		Year Ended 31.03.2014	
I.	REVENUE FROM OPERATION	18		11,721.61		10,859.71
II.	OTHER INCOME	19		99.56		92.21
III.	TOTAL REVENUE (I +II)			11,821.17		10,951.92
IV.	EXPENSES					
	Cost of Material Consumed	20		6,155.79		5,626.62
	Purchases of Stock in Trade	21		1,845.13		1,670.32
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22		(24.04)		103.83
	Employee benefit expense	23		1,309.12		1,124.92
	Financial costs	24		686.73		575.54
	Depreciation and amortization expense	11		460.89		270.54
	Provision for Foreign Exchange Fluctuation			(28.36)		91.48
	Other expenses	25		1,301.53		1,129.03
	Total			11,706.79		10,592.28
V.	PROFIT BEFORE TAX (III-IV) (PRIOR TO EXTRA ORDINARY ITEM)			114.38		359.64
VI.	EXTRA ORDINARY ITEMS	26		-		100.37
VII.	PROFIT BEFORE TAX (V-VI)			114.38		259.27
VIII.	TAX EXPENSES					
	Current Tax		28.66		45.43	
	Mat Credit Entitlement		25.27		(41.97)	
	Deferred Tax		(77.06)	(73.67)	72.77	76.23
IX.	NET PROFIT BEFORE SHARE OF MINORITY			188.05		183.04
	PRE-ACQUISITION PROFITS & SHARE OF MINORITY			-		-
	NET PROFIT (+) / LOSS (-) FOR THE YEAR			188.05		183.04
	Earning per share in Rs					
	Basic			7.56		7.80
	Diluted			5.57		5.65
	Significant Accounting Policies and Notes on financial statements					

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 : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 ST MARCH 2015

(Rs. in Millions)

S N	Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
A)	CASH FLOW FROM OPERATING ACTIVITY				
	Net Profit before tax		114.38		359.64
	Adjustment for :				
	Depreciation & Amortisation		460.89		270.54
	Foreign Currency Translation Reserve		15.37		(39.81)
	Loss on sale of Investment		-		45.49
	Extra Ordinary Items		-		(100.37)
	Profit/Loss on Assets Retirement		(0.15)		181.15
			590.49		716.64
	Interest & Financial Charges		686.73		575.54
	Operating Profit before Working Capital changes		1,277.22		1,292.18
	Adjustment for				
	Trade Receivable	(216.25)		(268.65)	
	Inventories	(193.74)		134.89	
	Other Assets	(102.16)		(121.70)	
	Current Liabilities	484.32	(27.83)	(314.50)	(569.96)
	Cash from Operating Activity		1,249.39		722.22
	Direct Taxes Paid (net)		(43.94)		(75.09)
	Net Cash from Operating Activity (A)		1,205.45		647.13
B)	CASH FLOW FROM INVESTING ACTIVITY				
	Purchase of Fixed Assets / CWIP	(1449.47)		(1699.55)	
	Proceed from sale of Investment	-		46.61	
	Sale Proceed from Assets Retirement	0.73		1.00	
	Net Cash used in Investing Activity (B)		(1448.74)		(1651.94)
C)	CASH FLOW FROM FINANCING ACTIVITY				
	Equity Share Issued/Share Warrants/Share Premium	-		419.60	
	Proceeds from Long Term Borrowing	510.46		1014.90	
	Proceeds from Short Term Borrowing	417.89		189.65	
	Payment of Dividends	29.11		(26.71)	
	Payment of Interest & Financial Charges	(686.73)		(575.54)	
	Net Cash used in Financing Activity (C)		270.73		1,021.90
	Net Increase in Cash & Cash Equivalents	(A+B+C)	27.44		17.09
	Opening Balance in Cash & Cash Equivalents		279.44		262.35
	Closing Balance in Cash & Cash Equivalents		306.88		279.44

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

(Abhay Singi)

Partner

Membership No. 079873

Place : Indore

Date : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain

Company Secretary

NOTES

FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON MARCH 31ST, 2015

NOTE 01 SIGNIFICANT ACCOUNTING POLICES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS :

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

The following components are included in consolidation:

A. Direct Subsidiaries :-

Name of Company	Country of Incorporation	Nature of Business	Date of Becoming Subsidiary/ Incorporation	Proportion of Ownership Interest
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%

C. Jointly Controlled Entities (LLP) :-

Name of Company	Country of Incorporation	Nature of Business	Date of Acquisition / Incorporation	Proportion of Ownership Interest
Flexituff S.A. Enterprises LLP	India	Works Contract	January 19th, 2015	75%
Flexituff Javed Ahmed LLP.	India	Works Contract	January 13th, 2015	80%
Flexituff Hi-Tech LLP	India	Works Contract	February 03rd, 2015	80%

II) Principles of Consolidation

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

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)**Note 01 Significant Accounting Policies (Contd.)**

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".

- g) In absence of financial statements as on reporting date for jointly controlled entities, no adjustment has been made in the consolidated financial statements; however, it has immaterial impact on financials of the Company.

III) Significant Accounting Policies**a. Basis of Accounting**

The audited financial statements of foreign subsidiaries have been prepared in accordance with

the generally accepted accounting principle of its country of incorporation or International Financial Reporting Standards. The differences in accounting policies of the company and its subsidiaries are not material.

b. Going Concern

Since the Board of Directors of Laxmi Incorporated has 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.

NOTE 02 SHARE CAPITAL

(Rs. in Millions)

Particulars	As at 31.03.2015	As at 31.03.2014
AUTHORISED		
4,00,00,000 Equity Shares of Rs 10/- each (Previous year 40,000,000 Equity Shares of Rs.10/-each)	400.00	400.00
	400.00	400.00
ISSUED, SUBSCRIBED, CALLED & PAID UP :		
24882806 Equity Shares of Rs.10/-each fully paid up (Previous year 24882806 Equity Shares of Rs.10/-each fully paid up)	248.83	248.83
Total	248.83	248.83

Name of the Shareholder	No. of Shares	% Held	No. of Shares	% Held
2.1 Details of Shareholders holding more than 5% shares :				
A. Kalani Industries Pvt. Ltd.	3,621,730	14.56	3,621,730	14.56
B. Clearwater Capital Partners(Cyprus)Ltd.	2,197,037	8.83	2,235,754	8.99
C. International Finance Corporation.	1,902,173	7.64	1,902,173	7.64
D. Saurabh Properties Pvt. Ltd.	1,637,905	6.58	1,746,905	7.02
E. Miscellani Global Pvt. Ltd.	1,359,163	5.46	1,359,163	5.46
2.2 The reconciliation of the number of shares outstanding is set out below :-				
Equity Shares at the beginning of the year	24,882,806		22,980,633	
Add : Shares issued on exercise of Initial Public Offer	-		-	
Add: Conversion of Fully Convertible Debenture	-		-	
Add: Conversion of Warrants into Equity Shares	-		-	
Add: Allotment on Private placement basis	-		1,902,173	
Add : Shares issued on exercise of Employee Stock Options	-		-	
Equity Shares at the end of the year	24,882,806		24,882,806	
2.3 There are 335250 options pending under Employees Stock Option Scheme 2011.				

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)

NOTE 03 RESERVE & SURPLUS

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	Capital Reserve :				
a.	SEZ Re-Investment Allowance Reserve	59.58		162.91	
	Add :- Addition during the year	-		-	
		59.58		162.91	
	Less :- Utilized during the year	33.32	26.26	103.33	59.58
	Closing Balance				
ii)	Securities Premium Account :				
	Opening Balance	2,055.07		1,654.49	
	Addition during the year	-		418.48	
	Less : Utilization during the year against Private Placement	-		17.90	
	Closing Balance		2,055.07		2,055.07
iii)	Other Reserves :				
a.	General Reserve Account				
	Opening Balance	140.50		140.50	
	Less :- Utilized during the year for different of depreciation	26.26	114.24	-	140.50
b.	Foreign Currency Translation Reserve		(50.42)		(65.79)
iv)	Profit & Loss Account				
	Opening Balance	1203.77		916.58	
	Addition during the year	188.05		183.04	
	Add : SEZ Re-Investment Allowance Reserve Utilization A/c	33.32		103.33	
	Add : Share in subsidiary reserve	-		29.93	
	Less : Utilization during the year				
a.	Proposed Dividend	24.88		24.88	
b.	Dividend for Earlier years	-		-	
c.	Dividend Distribution Tax	4.98		4.23	
d.	Transfer to General Reserve Account	-		-	
e.	Transfer to SEZ Re-Investment Allowance Reserve	-		-	
	Closing Balance		1,395.28		1,203.77
	Add : Minority Interest	-			
	Less : Negative Balance of Minority Interest Absorbed	-			-
			3,540.43		3393.13

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 04 LONG TERM BORROWINGS**

(Rs. in Millions)

Particulars		As at 31.03.2015	As at 31.03.2014
A	SECURED TERM LOANS :		
I	From Banks :		
a	UCO Bank, Indore -(1080,3428) * (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement wef 11.07.08 & 18.12.09, present rate of interest -14.50 % P A) This loan has been converted into Foreign Currency Term Loan on 20-02-2015	136.29	231.30
b	UCO Bank, Indore 1936 (Payable in 24 unequal quarterly Instalments after 6 month from the date of disbursement wef 26.03.2009, present rate of interest - 14.50 % P A)	-	26.76
c	UCO Bank, Indore 3923 (Payable in 17 unequal Quarterly Instalments after 11 months from the date of disbursement i.e. 20.03.2010, present rate of interest -14.50 % P A)	-	49.59
d	ING Vysya Bank , Indore (Payable in 16 quarterly Instalments of Rs 84.35 lacs & 8 quaterly instalments of Rs 18.80 lac, date of disbursement 13.08.2012, present rate of interest -12.35% PA)	65.65	99.39
e	State Bank of India, Indore (Payable in 24 quarterly Instalments after 1.5 year from the date of disbursement wef 29.08.2008, present rate of interest -14.50 % P A)	16.11	48.50
f	Central Bank of India, Indore (Payable in 24 quarterly Instalments, wef 30.08.2008, present rate of interest -14.00 % P A)	6.40	26.05
g	Punjab National Bank, Indore (Payable in 24 quarterly Instalments after 1 year from the date of disbursement wef 03.09.2008, present rate of interest - 14.50 % P A)	39.45	82.30
h	State Bank of India, Indore (Payable in 7 years (24 quarterly Instalments) after 1.25 year from the date of disbursement wef 31.12.2009, present rate of interest 14.50 % P A)	24.09	44.38
i	State Bank of Patiala, Indore (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 - 14.65 % P A)	37.07	62.79
j	State Bank of Patiala, Indore (Payable in 11 quarterly Instalments of Rs 25.00 lacs from the date of disbursement wef 30.03.2014, present rate of interest - 14.65 % P A)	14.90	27.40

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)

Note 04 Long Term Borrowings (Contd.)

Particulars		(Rs. in Millions)	
		As at 31.03.2015	As at 31.03.2014
k	Punjab National Bank, Indore (Payable in 23 quarterly Instalments after 1.5 year from the date of disbursment wef 20.05.2010, present rate of interest -14.50 % P A)	28.64	55.91
l	Central Bank of India, Indore (Payable in 24 quarterly Instalments, wef 31.12.12, present rate of interest - 14.00 % PA)	55.52	75.42
m	Central Bank of India, Indore (Payable in 19 quarterly Instalments after 6 months from the date of disbursment wef 30.06.2015, present rate of interest -14.50 % P A)	249.30	-
n	Bank of Baroda (Payable in 20 quarterly Instalments after 10 months from the date of disbursment wef 30.06.2015, present rate of interest -13.50 % P A)	241.06	-
	Sub Total	914.48	829.79
B	FROM FINANCIAL INSTITUTIONS:		
i.	G E Capital Services (36 months from the date of first Drawdown dtd. 27.09.2012, present rate of interest @ 14.00 % PA)	38.32	114.81
ii.	G E Money Services Pvt. Ltd (36 months from the date of first Drawdown dtd. 27.09.2014, present rate of interest @ 14.00 % PA)	236.85	-
C	TERM LOAN WITH FG (UK)		
	National Westminster Bank PLC	67.06	74.01
	Less : Current maturities of long term debt	489.50	489.85
	Sub Total	767.21	528.76
D	UNSECURED LOANS :		
i.	TPG Growth II SF PTE. Ltd., Singapore (5.44% Foreign Currency Convertible Bonds of USD 25.00 million)	1564.75	1338.75
ii.	International Finance Corporation (IFC) : (5.34% Foreign Currency Convertible Bonds of USD 9.00 million)	563.31	529.81
	TOTAL	2,895.27	2,397.32

Nature of security on secured loans :

- Term Loans (a),(b),(c), (d), (e), (f), (g), (h) (i), (j), (k) and (l) are secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets (except specific equipment finance through GE Capital Services India) and a second charge on all current assets of the company. Above Term loans are further secured by Personal Guarantee of Shri Manish Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- Term Loan (m) is secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets (except specific equipment finance through GE Capital Services India) & a second charge on all current assets of the company. Above Term loans is further secured by Personal Guarantee of Shri Manish Kalani, Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- Term Loan (n) is secured by equitable mortgage on all immovable fixed assets of the Company, hypothecation of the entire moveable machinery and other fixed assets and a second charge on all current assets of the company (except specific equipment finance through GE Capital Services India). Above Term loan is further secured by Personal Guarantee of Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- In case of G E Capital Services India - (i) First and exclusive charge over Equipment financed through the Facility in accordance with the Deed of Hypothecation. (ii) Personal Guarantee of Mr. Manish Kalani. (iii) Corporate Guarantee of M/s Kalani Industries Pvt Ltd.

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 05 OTHER LONG TERM LIABILITY**

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
Vehicle Loans (Vehicle Loan are secured by hypothecation of the respective Vehicles of the Company)		11.33		3.39
Less : Current maturities of other long term debt		2.28		1.73
		9.05		1.66

NOTE 06 LONG TERM PROVISION

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
Outstanding Group Gratuity Contribution		39.46		34.34

NOTE 07 SHORT TERM BORROWING

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
(A) SECURED WORKING CAPITAL LOANS				
i) UCO Bank, Indore		305.64		437.27
Cash Credit Loan	270.47		264.76	
Export Packing Credit	35.17		172.51	
ii) Punjab National Bank, Indore		362.62		345.71
Cash Credit Loan	153.51		139.31	
Export Packing Credit	209.11		206.40	
iii) Central Bank of India, Indore		470.63		386.85
Cash Credit Loan	244.40		194.62	
Export Packing Credit	226.23		192.23	
iv) State Bank of Patiala, Indore		124.96		78.76
Cash Credit Loan	65.95		20.88	
Export Packing Credit	59.02		57.88	
v) Axis Bank Ltd., Indore				
Cash Credit Loan		150.69		145.61
vi) ICICI Bank Ltd., Indore				
Cash Credit Loan		-		221.57
vii) ING Vysya Bank, Indore		161.25		250.97
Cash Credit Loan	108.75		141.53	
EPC & PCFC	52.50		109.44	
viii) Chinatrust Commercial Bank -New Delhi		112.61		28.98
Cash Credit Loan	(3.82)		(1.42)	
Export Packing Credit	116.43		30.40	
ix) SBER BANK New Delhi		249.34		249.05
Cash Credit Loan			249.05	
x) Bank of Baroda CC a/c 0341, Bandra		249.75		
Cash Credit Loan	115.00		-	
EPC & PCFC	134.75		-	

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)**Note 07 Secured Working Capital Loans (Contd.)**

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
xi)	Tamilnad Mrecantile Bank Ltd.		352.30		-
	Cash Credit Loan- I	202.30		-	
	Cash Credit Loan- II	150.00		-	
xii)	Short Term Loan at FG (UK)				
	RBS Invoice Finance Ltd.		183.13		150.75
TOTAL (A)			2,722.92		2,295.52

- The Working capital facilities of Flexituff International Ltd 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 of Flexituff International Ltd are further secured by Personal Guarantee of Shri Manish Kalani, Shri Saurabh Kalani and corporate guarantee of M/S Kalani Industries P.Ltd.
- The bank facilities of Flexiglobal (UK) Limited are secured against the company premises ,alongwith a debenture in the bank's standard form.

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
(B)	UNSECURED LOANS FROM OTHERS		3.00		12.50
TOTAL (A +B)			2,725.92		2,308.02

NOTE 08 TRADE PAYABLES

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
Trade Creditors			1,979.77		1,813.64

NOTE 09 OTHER CURRENT LIABILITIES

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	Creditors for Capital Goods	51.56		57.70	
ii)	Sundry Liabilities	643.18		297.13	
iii)	Tax Payable	21.71		13.61	
iv)	Unpaid Dividend	0.13		-	
v)	Current maturities of long term debt	489.50		489.85	
vi)	Current maturities of other long term debt	2.28		1.73	
vii)	Current maturities of long term debt related to forex fluctuation (FCTL)	55.75		85.92	
viii)	Provision for M2M forex fluctuation	-		3.88	
ix)	Accrued Interest on TL	8.75	1272.86	8.19	958.01

NOTE 10 SHORT TERM PROVISION

(Rs. in Millions)

Particulars		As at 31.03.2015		As at 31.03.2014	
i)	For Income Tax	28.61		43.89	
ii)	For Wealth Tax	0.02		0.05	
iii)	For Proposed Dividend	24.88		24.88	
iv)	For Dividend Tax	4.97	58.48	4.23	73.05

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)

NOTE 11 FIXED ASSETS

		(Rs. in Millions)											
SN	Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		As on 01.04.2014	Addition	Deduction / Adjustment	As on 31.03.2015	As on 01.04.2014	Transfer to Reserve	Written Back	Amortisation For the Year	As on 31.03.2015	As on 31.03.2014		
A. TANGIBLE ASSETS													
1	Land (Lease Hold)	24.75	-	-	24.75	2.27	-	-	0.72	-	2.99	21.76	22.47
2	Land (Free Hold)	160.44	1.29	-	161.73	-	-	-	-	-	-	161.73	160.44
3	Factory Building	982.76	378.55	-	1,361.31	143.70	-	-	-	30.23	173.93	1,187.38	849.74
4	Plant & Machinery	4,325.61	1,851.79	-	6,177.40	764.51	0.04	-	-	319.51	1,084.06	5,093.34	3,561.01
5	Electric Installation	206.74	29.34	-	236.08	44.48	5.13	-	-	30.95	80.56	155.52	162.26
6	Furniture & Fixtures	43.23	2.02	0.05	45.20	13.90	2.75	0.03	-	5.02	21.64	23.56	29.70
7	Office Equipments	74.88	4.36	-	79.24	13.13	12.69	-	-	22.32	48.14	31.10	61.97
8	Vehicles - Cars	19.14	11.65	3.18	27.61	7.68	1.62	2.65	-	2.23	8.88	18.73	11.47
9	Vehicles - Others	0.19	-	-	0.19	0.13	-	-	-	0.02	0.15	0.04	0.06
10	Computer	24.98	2.37	-	27.35	14.09	4.02	-	-	3.88	21.99	5.36	10.88
	Sub Total	5,862.72	2,281.37	3.23	8,140.86	1,003.89	26.25	2.68	0.72	414.16	1,442.34	6,698.52	4,870.00
B. INTANGIBLE ASSETS													
1	Patent	0.97	-	-	0.97	0.42	-	-	-	0.10	0.52	0.45	0.55
2	Development Assets	180.40	120.26	-	300.66	19.57	-	-	-	45.91	65.48	235.18	160.83
	Sub Total	181.37	120.26	-	301.63	19.99	-	-	-	46.01	66.00	235.63	161.38
	Total	6,044.09	2,401.63	3.23	8,442.49	1,023.88	26.25	2.68	0.72	460.17	1,508.34	6,934.15	5,031.38
	Previous year	5,256.45	1,039.04	242.35	6,053.14	812.35	-	61.13	0.02	270.52	1,021.77	5,031.38	4,444.10

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 12 LONG TERM LOANS AND ADVANCES**

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
Sundry Deposits		28.25		26.17

NOTE 13 OTHER NON CURRENT ASSETS

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
Miscellaneous Expenditure : (To the extent not written off or adjusted)	-		0.02	
Less : Written Off During the period	-	-	(0.01)	0.01

NOTE 14 INVENTORIES

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
i) Raw Materials		309.75		149.10
ii) a) Finished Goods	321.23		470.02	
b) Semi-Finished Goods	412.61		380.07	
c) Waste / Scrap	7.70		3.87	
d) Stock at Depot.	274.70	1016.24	138.23	992.19
iii) Store & Spares parts & Stationary/Transit/Aggl stock		162.80		153.75
iv) Loose Tools / Paintings		1.53		1.54
		1,490.32		1,296.58

NOTE 15 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
i) Exceeding Six months from the date of the year due for payment		89.65		86.06
ii) Others		2895.88		2683.23
		2985.53		2,769.29

NOTE 16 CASH & CASH EQUIVALENTS

(Rs. in Millions)

Particulars	As at 31.03.2015		As at 31.03.2014	
i) Cash in Hand		2.87		2.65
ii) Balance with Scheduled Banks :				
a) - In Current Accounts	82.22		76.60	
b) - In Margin Money Deposit Accounts	219.52		195.49	
c) - Other FDRs	2.27	304.01	4.70	276.79
		306.88		279.44

Notes Forming part of consolidated accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 17 SHORT TERM LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)**

(Rs. in Millions)

Particulars		As at 31.03.2015	As at 31.03.2014
A.	Loan & Advances to Related party :		
i)	Flexituff Sa Enterprises LLP Guwahati	25.96	-
ii)	Flexituff Javed LLP	0.18	-
iii)	Flexituff Hi Tech LLP	0.10	-
B.	Others		
i)	Advance against Supplies & Expenses	561.34	591.08
ii)	Advance to Staff & Workers	9.85	11.12
iii)	Advance recoverable in cash or in kind or value to be received	57.90	25.63
iv)	Sundry Deposits	23.32	15.12
v)	Other Advances / Recoverables	620.07	589.94
vi)	Tax Deducted at Source	4.49	5.76
vii)	Balance With Excise Authorities	35.14	25.70
		1,338.35	1,264.35

NOTE 18 REVENUE FROM OPERATIONS

(Rs. in Millions)

Particulars		Year Ended 31.03.2015	Year Ended 31.03.2014
Sale of Products			
i)	Export Sales	7592.88	7067.38
ii)	Domestic Sales & Receipts	4291.29	3994.53
	Less : VAT	24.27	21.18
	Less : Excise Duty	138.29	181.02
		11,721.61	10,859.71

NOTE 19 OTHER INCOME

(Rs. in Millions)

Particulars		Year Ended 31.03.2015	Year Ended 31.03.2014
i)	Interest Received	22.18	24.38
ii)	Other Non Operating Income		
a)	Profit on sale of Agglomerates / Scrap	1.90	2.78
b)	Sales of Licence (FPS Scheme) / Import Licence	38.66	52.39
c)	Incremental Growth Benefit	12.06	-
d)	Misc Receipts / Monopoly Rights	24.76	12.66
		99.56	92.21

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 20 COST OF RAW MATERIAL CONSUMED**

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
Raw Material Consumed					
i)	Granuels, Master Batch & fabric		5376.31		4879.89
ii)	Others Raw Material		606.17		613.92
iii)	Misc Consumable goods		173.31		132.81
			6155.79		5626.62

NOTE 21 PURCHASES OF STOCK IN TRADE

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Purchase of Geo-FABRIC		1845.13		1670.32
			1845.13		1670.32

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

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Finished Goods & Work in Progress				
a)	Finished	321.23		470.02	
b)	Semi Finished	412.61		380.07	
c)	Waste/Scrap	7.69		3.87	
d)	Stock at Depot	274.70	1,016.23	138.23	992.19
ii)	Less : Opening Stock				
a)	Finished	470.02		558.23	
b)	Semi Finished	380.07		382.84	
c)	Waste/Scrap	3.87		7.71	
d)	Stock at Depot	138.23	992.19	147.24	1096.02
			24.04		(103.83)

NOTE 23 EMPLOYEE BENEFIT EXPENSES

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
i)	Labour charges	120.81		125.73	
ii)	Factory Salary & Wages & Bonus	935.63		768.09	
iii)	Provident Fund & ESI Contribution	70.80		52.51	
iv)	Administrative Salaries & Allowances	137.58		137.18	
v)	Staff & Workmen Welfare Expenses	44.30	1309.12	41.41	1124.92

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**NOTE 24 FINANCE COST**

(Rs. in Millions)

Particulars		Year Ended 31.03.2015	Year Ended 31.03.2014
A	Interest Expenses		
i)	Interest on Term Loan	69.18	96.52
ii)	Interest on Working Capital	334.31	233.29
iii)	Interest to Others	22.37	9.11
iv)	Interest on Income Tax	5.41	7.06
B	Other Borrowing Cost		
i)	Bills Discounting Charges	125.59	108.75
ii)	Misc Bank Charges	129.78	120.04
C	Foreign Exchange Fluctuation	0.09	0.77
		686.73	575.54

NOTE 25 OTHER EXPENSES

(Rs. in Millions)

Particulars		Year Ended 31.03.2015	Year Ended 31.03.2014
(A)	Manufacturing Expenses		
i)	Power & Fuel	323.25	300.51
ii)	Rent, Rates and Taxes	13.24	9.85
iii)	Jobwork expenses	96.64	69.09
iv)	Consumption of Stores & Spare parts	124.67	97.20
v)	Repairs & Maintenance	12.09	4.62
vi)	Freight Inward	39.03	23.23
vii)	Entry Tax	17.87	15.15
viii)	Laboratory and R & D Expenses	1.76	0.84
ix)	Factory Expenses	1.86	1.86
		630.41	522.35
(B)	Administrative Expenses		
i)	Courier & Telephone Expenses	19.97	16.99
ii)	Vehicle Running Expenses	8.47	8.55
iii)	Insurance Charges	13.84	14.27
iv)	Rent for Office / Guest House	5.28	5.63
v)	Legal and Professional Fees	94.73	90.24
vi)	Directors Sitting Fees	0.01	-
vii)	Miscellaneous Expenses	45.94	65.19
viii)	Corporate Social Responsibility Expenses	7.23	0.00
ix)	Provision for Wealth tax	0.04	0.05
		195.51	200.92

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

Note 25 Other Expenses (Contd.)

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
(C)	Selling Expenses				
i)	Freight & Carriage Outward		377.07		318.90
ii)	Travelling Expenses:				
	a) Directors		7.02		3.19
	b) Staff		28.28		24.15
			35.30		27.34
iii)	Advt.,Newspaper & Periodicals		0.40		0.35
iv)	Inspection Charges		5.31		5.62
v)	ECGC Premium		9.35		7.79
vi)	Tender Fees & Form Expenses		0.07		0.05
vii)	Rebate & Discount on Sale:				
	a) Domestic Sale		29.14		32.06
	b) Export sale		-		0.53
			29.14		32.59
viii)	Business Promotion Expenses		9.46		8.18
ix)	Commission on Sales:				
	Domestic Sale		7.49		0.34
	Export sale		2.02		0.34
			9.51		4.94
			475.61		405.76
	Total of Other Expenses (A+B+C)		1, 301.53		1,129.03

NOTE 26 EXTRA ORDINARY ITEMS

(Rs. in Millions)

Particulars		Year Ended 31.03.2015		Year Ended 31.03.2014	
a)	Prior Period Expenses		-		6.87
b)	Debtor settlement by US Court		-		43.34
c)	Misc. Balance w/o		-		4.67
d)	Loss on Sale of Investment		-		45.49
			-		100.37

NOTE 27 NOTES ON ACCOUNTS

A) Contingent Liabilities and Commitments

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.03 million (Previous Year Rs. 275.57 million).
- ii) Guarantee given by Banks on behalf of the Company for Rs. 73.45 million (Previous year Rs. 47.06 million).
- iii) On account of Letter of Credit for Rs. 131.21 million (Previous year Rs. 40.36 million).
- iv) Foreign Bills Discounted with Bank Rs. 287.04 million (Previous year Rs. 225.33 million).
- v) The Company has recognized currency exchange difference of Rs. 259.5 million on FCCB of \$ 34 Millions on 31/03/2014 by capitalizing it to fixed assets created out of FCCB.

- vi) Corporate Guarantee given by the Company is as under :

Sr.	Given in favour of	Given on behalf of	Amount
1	Governor of Uttarakhand	Nanofil Technologies Pvt.Ltd., Kashipur	Rs. 0.2 million (Previous Year Rs. 0.2 million)

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

- a) The company filed appeal before CIT (A) / ITAT and contested Income Tax demand for the A.Y. 2004-05, 2005-06, 2006-07 and 2011-12 (Nano)

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 27 Notes on Accounts (Contd.)**

<p>for Rs.26.19 million, Rs.22.61million, Rs. 6.03 million, & Rs 0.2 million respectively and also contested TDS demand for the A.Y.2005-06 to 2007-08 Rs.0.71 million.</p> <p>b) The Income Tax department has filed an appeal before the M.P.High Court, challenging the order of ITAT passed in favor of Company for the A.Y.2003-04. The amount of tax and penalty is Rs 6.57 million and Rs. 1.45 million respectively.</p> <p>c) The company has contested M.P.VAT/CST., demand for F.Y. 2006-07,2007-08 , 2008-09, 2009-10,2010-11 & 2012-13 for Rs. 3.85 million, Rs. 1.96 million, Rs. 1.06 million, Rs. 4.38 million, Rs.0. 92 million, Rs.0.66 million & Rs. 0.99 million respectively and Entry Tax demand for F.Y. 2006-07 , 2007-08, 2008-09, 2009-10 & 2010-11 for Rs. 2.41 million, Rs. 2.77 million, Rs. 4.62 million, Rs. 3.72 million & Rs. 0.37 million respectively as per legal opinion obtained.</p> <p>d) The company has contested VAT/CST Demand for FY 2010-11, 2011-12, 2012-13,2013-14 & 2014-15 for Rs 20.56 million, Rs 8.92 million, Rs. 6.81 million, Rs 4.0 million & Rs.2.0 million respectively at Kashipur unit.</p> <p>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.</p>	<p>C) Earnings per Share (AS-20)</p> <table border="0"> <tr> <td style="padding-left: 20px;">(a) Net Profit after Tax (As per Profit / Loss Account) Number of fully paid up equity share of Rs. 10/- each</td> <td style="padding-left: 20px;">Rs. 188.05 million (Previous year Rs. 183.04 million) 24882806 Equity Share (Previous year 24882806 Equity Shares)</td> </tr> <tr> <td style="padding-left: 20px;">(b) Weighted average number of equity Shares outstanding during the year</td> <td style="padding-left: 20px;">24882806 Equity Shares (Previous year 23460085 Equity shares)</td> </tr> <tr> <td style="padding-left: 20px;">(c) Effects of potential dilutive equity share</td> <td style="padding-left: 20px;">8860846 Equity Shares (Previous year 8943542 Equity Shares)</td> </tr> <tr> <td style="padding-left: 20px;">(d) Weighted average number of equity in computing diluted earning per share</td> <td style="padding-left: 20px;">33743652 Equity Shares (Previous year 32403627 Equity Shares)</td> </tr> <tr> <td style="padding-left: 20px;">(e) Earning per share</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Basic [(a)/(b)]</td> <td style="padding-left: 40px;">Rs. 7.56 (Previous year Rs. 7.80)</td> </tr> <tr> <td style="padding-left: 40px;">Diluted [(a)/(d)]</td> <td style="padding-left: 40px;">Rs. 5.57 (Previous year Rs. 5.65)</td> </tr> </table> <p>D) During the year the Company has booked the amount of interest subsidy of Rs. 7.91million (Previous year Rs. 20.65 million) and the same has been credited to interest paid on term loan account.</p> <p>E) Segment Information 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.</p>	(a) Net Profit after Tax (As per Profit / Loss Account) Number of fully paid up equity share of Rs. 10/- each	Rs. 188.05 million (Previous year Rs. 183.04 million) 24882806 Equity Share (Previous year 24882806 Equity Shares)	(b) Weighted average number of equity Shares outstanding during the year	24882806 Equity Shares (Previous year 23460085 Equity shares)	(c) Effects of potential dilutive equity share	8860846 Equity Shares (Previous year 8943542 Equity Shares)	(d) Weighted average number of equity in computing diluted earning per share	33743652 Equity Shares (Previous year 32403627 Equity Shares)	(e) Earning per share		Basic [(a)/(b)]	Rs. 7.56 (Previous year Rs. 7.80)	Diluted [(a)/(d)]	Rs. 5.57 (Previous year Rs. 5.65)
(a) Net Profit after Tax (As per Profit / Loss Account) Number of fully paid up equity share of Rs. 10/- each	Rs. 188.05 million (Previous year Rs. 183.04 million) 24882806 Equity Share (Previous year 24882806 Equity Shares)														
(b) Weighted average number of equity Shares outstanding during the year	24882806 Equity Shares (Previous year 23460085 Equity shares)														
(c) Effects of potential dilutive equity share	8860846 Equity Shares (Previous year 8943542 Equity Shares)														
(d) Weighted average number of equity in computing diluted earning per share	33743652 Equity Shares (Previous year 32403627 Equity Shares)														
(e) Earning per share															
Basic [(a)/(b)]	Rs. 7.56 (Previous year Rs. 7.80)														
Diluted [(a)/(d)]	Rs. 5.57 (Previous year Rs. 5.65)														

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)

Note 27 Notes on Accounts (Contd.)

(Rs. in Millions)

Particulars	Within India		Outside India		Total	
	2015	2014	2015	2014	2015	2014
Segment Revenue						
Revenue from Operations	10,484.95	9,665.65	1,236.65	1,194.06	11,721.60	10859.71
Less : Inter Segment Turnover						
Net Turnover	10,484.95	9,665.65	1,236.65	1,194.06	11,721.60	10859.71
Segment Results before Interest, Tax and other						
Income & Extra Ordinary Item	699.25	774.71	2.30	68.25	701.55	842.96
Less : Interest Expenses	670.31	562.76	16.41	12.78	686.72	575.54
Add : Other Income	99.39	91.73	0.16	0.49	99.55	92.22
Profit Before Tax	128.33	303.68	(13.95)	55.96	114.38	359.64
(Prior to Extra Ordinary Item)						
Less : Tax						
Current Tax	26.69	42.68	1.97	2.76	28.66	45.44
MAT Credit Entitlement	(25.27)	(41.97)	-	-	(25.27)	(41.97)
Deferred Tax	(76.97)	72.63	(0.09)	0.13	(77.06)	72.76
Net Tax	(75.55)	73.34	1.88	2.89	(73.67)	76.23
Profit After Tax before adjustment for Minority Interest & Extra Ordinary Items	203.88	230.34	(15.83)	53.07	188.05	283.41
Extra Ordinary Items		100.37		-		100.37
Less : Pre acquisition Profit/ Loss & Share of Minority				-		
Profit After Tax after adjustment for Minority Interest	203.88	129.97	(15.83)	53.07	188.05	183.04
Segment Assets	12,440.54	10,894.23	696.13	782.09	13,136.67	11,676.32
Segment Liabilities	8,716.67	7,300.62	630.74	733.74	9,347.41	8,034.36
Depreciation & Amortisation	457.41	267.05	3.47	3.49	460.88	270.54
Capital Expenditure	1,448.73	1,672.78	0.73	26.77	1,449.46	1,699.55

Notes Forming part of accounts for the year ended on March 31st, 2015 (Contd.)**Note 27 Notes on Accounts (Contd.)****F) Related Party Disclosure (AS-18)**

Name of related parties and transactions with them have been shown below:

	Subsidiaries	Key Management Personnel and their Relatives	Total
Sale of Goods	-	63.21	63.21
Rendering of services	-	0.01	0.01
Receiving of services	24.83	-	24.83
Finance	-	26.02	26.02

Names of related parties and description of relationship:

1. Subsidiaries : Flexituff S.A. Enterprises (LLP)
Flexituff Javed Ahmed (LLP)
Flexituff Hi-Tech (LLP)
3. Key Management Personnel : Mr. Saurabh Kalani,(WTD)
Mr. Mahesh Sharma (CEO)
Mr. Dilip Parikh (CFO)
Mr. D. K. Sharma, (ED) (w.e.f.12-8-2014)
Mr. K.K. Vijayvergiya, (WTD) (upto 12-8-2014)
Mr. Manoj Dwivedi, (WTD) (upto 31-3-2015)
Mr. Rishabh Jain (CS) (w.e.f.04-11-2014)
4. Relatives of Key Management Personnel : Mrs. Padma Kalani
Mr. Manish Kalani
Mr. Kartikeya Kalani
Mr. Vinayak Kalani
Mrs. Monica Sharma
Mrs. Kaushalya Vijayvergiya

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

As per our report of even date attached

For **L.K.Maheshwari & Co.,**

Chartered Accountants

FRN No. 000780C

(Abhay Singi)

Partner

Membership No. 079873

Place : Indore

Date : 28th May 2015

For and on Behalf of Board of Directors

Saurabh Kalani

Whole Time Director

D. K. Sharma

Executive Director

Rishabh Kumar Jain
Company Secretary

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anirudh Sonpal	Chairman
Mr. Saurabh Kalani	Whole Time Director
Mr. Sharat Anand	Non Executive Director
Mr. Kevan John Upperdine	Non Executive Director
Mr. D.K. Sharma (w.e.f. 12/08/14)	Executive Director
Mr. Vishwarupe Narain	Bondholder Nominee Director
Mr. Ritesh Pandey (w.e.f. 12/02/2015)	Investor Director
Mrs. Alka Sagar (w.e.f. 31.03.2015)	Non Executive Women Director
Mr. Kaushal Ganeriwal (Upto 28/07/2015)	CCP Nominee Director
Mr. Manoj Kumar Dwivedi (Upto 31.03.2015)	Whole Time Director
Mr. Manas Tandon (Upto 12/02/2015)	Investor Director
Mr. Kaushal Kishore Vijayvergiya (upto 12/08/14)	Whole Time Director

BANKERS

UCO Bank	Tamilnad Mercantile Bank Ltd.
Punjab National Bank	Kotak Mahindra Bank Ltd.
Central Bank of India	GE Money Financial
Axis Bank Ltd.	Services
State Bank of Patiala	GE Capital Services India
CTBC Bank Co. Ltd.	State Bank of India
SBER Bank of Russia	

COMMITTEES OF DIRECTOR

Audit Committee Mr. Sharat Anand (Chairman) Mr. Anirudh Sonpal Mr. D.K. Sharma (from 12/08/2014) Mr. Ritesh Pandey (From 12/02/2015)	Nomination and Remuneration Committee * (Formerly known as Compensation Committee) Mr. Sharat Anand (Chairman) Mr. Anirudh Sonpal Mr. Vishwarupe Narain Mr. Kevan John Upperdine	CSR Committee Mr. Saurabh Kalani (Chairman) Mr. Sharat Anand Mrs. Alka Sagar (w.e.f. 28/05/2015)	Management Committee Mr. Saurabh Kalani (Chairman) Mr. D.K. Sharma (w.e.f. 12/8/14)
Stakeholders Relationship Committee* (formerly Known as Shareholders' & Investors' Grievance Committee) Mr. Sharat Anand (Chairman) Mr. Anirudh Sonpal Mr. D.K. Sharma (w.e.f. 12/8/14)			

Note: Registered office of the Company has been shifted from State of West Bengal to State of Madhya Pradesh vide order no. RD/T/21421/S-13(4)/15/6478-79 dt. 13/08/2015 by Regional Director Kolkata which was taken on record by Registrar of Companies, Gwalior on 28/08/2015 and consequently the CIN of the Company is L25202MP1993PLC034616. Amended details of Registered office and CIN have been incorporated in Directors' Report and Report on Corporate Governance section wherever required.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rishabh Kumar Jain

REGISTERED OFFICE

C-41-50, Special Economic Zone, Sector -3,
 Industrial Area, Pithampur-454775
 Dist. Dhar – Madhya Pradesh
 Ph. 07292-420200
 Fax- 07292-401684
 Email: investors@flexituff.com

MANUFACTURING FACILITIES

SEZ Unit

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

DTA Unit

94, Industrial Area, Sector-I, Pithampur-454775,
 Dist. Dhar – Madhya Pradesh

Kashipur Unit

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

Barwaha Unit

58/1, Jaimalpura, Maheshwar Road, Barwaha,
 Dist. Khargone (M.P.)

AUDITORS

L.K. Maheshwari & Co.
 Chartered Accountants
 Indore (M.P.)

MARKETING NETWORK

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

