

FLORA TEXTILES LIMITED


COIMBATORE - 641 043

**NINETEENTH ANNUAL REPORT
2011 - 2012**



FLORA TEXTILES LIMITED

BOARD OF DIRECTORS	:	Sri. V.R. Gupta Chairman
		Sri. A.K. Gupta Vice Chairman - Cum Managing Director
		Sri. K. Venkatasubramaniam
		Ms. C .R. Padma
		Sri. R. Ravindra Kumar
REGISTERED OFFICE	:	No. 23, Bharathi Park Road, Coimbatore -641 043, Tamilnadu
MILL PREMISES	:	S.F. No. 498 - A/C Mopparipalayam Village Kaduvettipalayam Post Karumathampatti - Annur Road Palladam Taluk Coimbatore - 641659 Tamilnadu.
STATUTORY AUDITORS	:	Anjana & Co., Chartered Accountants, Coimbatore.
BANKERS	:	The Catholic Syrian Bank Ltd.


For Flora Textiles Limited

Managing Director

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the nineteenth annual general meeting of the members of the company will be held at the A/C Conference Hall, Rajasthani Sangh, 579, D.B. Road, R.S. Puram, Coimbatore - 641002, on Wednesday the 8th August 2012 at 1600 hrs. to transact the business as per the Agenda given below :

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the audited profit and loss account for the year ended and balance sheet as at 31st March, 2012 together with the reports of the directors and auditors of the company.
2. To appoint a director in the place of Mr.Ravindrakumar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in the place of Mr. K.Venkatasubramaniam who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors for the current year and to fix their remuneration - M/s. Anjana & Co., Chartered Accountants, Coimbatore, retire and are eligible for reappointment.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED to increase the authorised share capital of the company from the present Rs.6,00,00,000/-(Rupees Six Crores only), to Rs.10,80,00,000/-(Rupees Ten Crores Eighty Lakhs only), by addition thereto of 48,00,000 (Forty Eighty lakhs only) Equity Shares of Rs.10 each, ranking pari passu in all respects with existing Equity Shares of the Company.”



6. To consider and if thought fit to adopt the following resolution with or without modification, as an ordinary resolution:

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the company be and is hereby modified and replaced as below:

V. "The Authorized Share Capital of the Company is Rs 10,80,00,000 (Rupees Ten Crores Eighty Lacs only) divided into 1,08,00,000 (One crore Eight Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

7. To consider and if thought fit to pass the following resolution as a special resolution with or without modification:

"RESOLVED THAT the existing Clause 3 of the Articles of Association of the company be and is hereby amended and replaced by the below mentioned clause:

3. "The Authorised Share Capital of the Company is such amount as is mentioned in Clause V of the Memorandum of Association of the company."

8. To consider and if thought fit to approve, with or without modification, the following resolution, as a special resolution:

"RESOLVED that in accordance with the provisions of Sections 81 [1A] and all other applicable provisions if any of the Companies Act 1956, and in accordance with the Order no. 330/ 1998 dt 15.12.2011 of the Board for Industrial and Financial Reconstruction [B I F R], and as per the applicable Guidelines / Regulations issued by the SEBI and subject to all necessary approvals, consents, permissions and/ sanctions of the Government of India or any other statutory regulatory authorities, and other applicable laws and the provisions in the Memorandum of Association of the company and the listing agreement entered into by the company with the listed stock exchanges and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the company [hereinafter referred to as the Board which expression shall include any committee constituted for the time being thereof] and subject to such terms, conditions and modifications as the Board may in its discretion imposes or agrees to, the consent and approval of the company be and is hereby accorded to the Board to offer, issue and allot of preferential basis upto 48,00,000 equity shares of face value of Rs.10/= [Rupees ten only] each for cash aggregating to Rs.4,80,00,000/= [Rupees four crores eighty lakhs only] being the price in accordance with the guidelines, to such persons in the promoters group including company as may be decided by the Board.



Resolved further that the equity shares shall rank *pari passu* in all respects with the existing equity shares of the company, including entitlement to dividend.

Resolved further that the Board/ Committee thereof be authorised to determine vary modify or alter any of the terms and conditions of the issue and allotment of this equity shares including the reduction of the size of the issue as it may deem expedient

Resolved further that for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the company to take all such actions and do all such deeds matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient in relation to the fixing of date, issue or allotment of aforesaid securities and listing thereof with the stock exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilizations of the issue proceeds, sign all documents and undertakings and generally to do all such acts and deeds matter and things in connections therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to do and indent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved lastly that the Board be and is hereby authorised to delegate all or any of its powers herein confirmed by this resolution to any director [s] or any committee or any officer or officers of the company to give effect to this resolution."

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy should be lodged with the company not less than forty eight hours before the time of the commencement of meeting.
3. The register of members and share transfer books of the company will remain closed from 1st August 2012 to 8th August 2012 both inclusive.
4. TOWARDS GREEN INITIATIVE, ALL SHARE HOLDERS ARE REQUESTED TO SUBMIT THEIR EMAIL ID TO THE COMPANY.

**5. Details of Directors**

Name	Qualification	Experience	Directorship with Indian Public Limited Companies	Committee Membership
V.R. Gupta Chairman, Non-executive Promoter	S S L C	52 years experience in textiles, flour milling, sleeper making unit, LPG cylinder making unit	nil	Audit Committee & investors Greivence and Share transfer committee
A.K. Gupta Vice Chairman Executive Promoter	Intermediate	32 years in textiles, flour milling, Past President of Flour Mills Assn.	nil	Not a member of any committee
C.R. Padma Director, Non-executive Independent	M.Com., FCS, BL, C.Ht	17 years in corporate administrative, legal and finance matters	nil	Audit Committee
K.Venkatasubramanian Director, Non-executive Independent	MBA with specialisation in Management, Accounting and finance	31 years consultant to various textiles units on project finance	nil	Audit Committee & Investors Grievance and Share transfer committee
R. Ravindrakumar Director, Executive Independent	B.E.,(Electrical) Holder of "C" Certificate	11 years in electrical appliance in Textile mills	nil	Investor's Grievance committee

Place : Coimbatore
Date : 31.05.2012

For & on behalf of the Board of Directors
-sd-
A.K. Gupta
Vice Chairman & Managing Director



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF
THE COMPANIES ACT, 1956**

Special Business no. 5 to 8

The BIFR [Board for Industrial and Financial Reconstruction] constituted under the Sick Industrial Companies [Special Provisions] Act, vide its order 330/ 1998dt 15.12.2011 has approved the conversion of unsecured loan into equity share capital of the company to the tune of RS.4,80,00,000/= [Rupees four crores and eighty lakhs only] in its hearing held on 15th December, 2011. As per this, your company is executing all necessary steps.

For this the company has to increase its authorised capital which is now fully subscribed. That is how agenda 5 to 7 have come to place to increase the authorised capital, to alter the capital clause of the Memorandum of Association and Articles of Association of the Company.

In this regard this preferential allotment of equity shares does not come under the norms of SEBI [Disclosure and Investor Protection] Guidelines, 2000 and SEBI [Substantial Acquisition of Shares and Takeovers] Regulations, 2011 since it is under an order of BIFR. But your company has to apply to the listed stock exchange for in principle approval for this issue.

Also as per the Companies Act, further issue of shares on preferential / private basis requires a prior approval from your side. That is how special business no. 8 was drafted.

Your directors are recommending these resolutions to be carried through for the bonafide interest of the company. None of your directors is interested personally in any of these resolutions, except as a director of the allottee company or allottee per se.

The order of the BIFR and other necessary documents are available for inspection on all working days during the business hours of the company.

**DIRECTORS' REPORT**

Ladies and Gentlemen,

Your directors take pleasure in submitting to you their Nineteenth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit & Loss Account for the Year ended on that date.

WORKING RESULTS

The working results of the company for the year under review are summarised and furnished below :-

	Rs. in Lacs
Sales and Other Receipts	410.30
Other Income	2.67
Total Receipts	412.97
Gross Profit before interest and Depreciation	43.36
Less : Interest	39.65
Profit before Depreciation	(83.01)
Less : Depreciation	8.70
Net Profit /loss for the Year	(91.71)
Opening balance - Loss' brought forward	(1363.56)
Total Loss taken to P & L Account	(1455.27)

REVIEW OF OPERATIONS :

During the year under review, the overall sales and other income of the Company was Rs.412.97 lakhs as against Rs.560.27 lakhs in the last year. Gross Profit / (Loss) before interest and depreciation amounted to Rs (43.36) lakhs (Previous Year Rs 31.11 lakhs). The Net loss amounted to Rs91.71 lakhs (Previous Year Rs14.24 lakhs).

The major factors to net loss in the financial year under review were due to increase in raw material prices, shortage of power , high cost of interest and inability to pass on the increase to our customers.

**PROSPECTS :**

As the textiles industry is hard hit by slowing of economy and government policies and high input cost , there may not be any improvement in the performance of the company in the current year.

The Directors are evaluating various options to improve the performance of the Company with reference to sales and profitability. Unless the Company could secure remunerative prices for fabrics, the working results may not be profitable.

DIRECTORS :

Mr.Ravindrakumar retires by rotation and offers himself for re-election. Mr.K.Venkatasubramaniam retires by rotation and offers himself for re-election. Your directors recommend these resolutions for your approval.

DEPOSITS :

Your Company has accepted Inter Corporate Deposits from Companies . As at the close of the year, there were no amounts remaining unclaimed.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956 :

217 (1) (e) – A statement on the conservation of energy, technology absorption and foreign exchange earnings and outgo has been furnished by way of Annexure- I to this report.

217 (2A) – There was no employee of the company who has drawn the prescribed salary during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT :

The Directors of the Company confirm the following, subject to the fact that your company is a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provision) Act. 1985 :

- i. that in the preparation of annual accounts, the applicable accounting standards had been followed and there is no material departure from the said standards :
- ii. that the Directors had selected such accounting policies and made judgements 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 and loss of the Company for that period :



- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities :
- iv. that the Director had prepared the annual accounts on a going concern basis.

AUDITORS :

M/s. Anjana & Co., Chartered Accountants, Coimbatore, the retiring Auditors are eligible for reappointment. A certificate under Section 224(1B) of the Companies Act, 1956 has been obtained from them confirming their eligibility for reappointment.

STATUS OF THE COMPANY UNDER SICA :

During the year under review, the company filed a Modified Draft Rehabilitation Scheme to BIFR. In its meeting held on 15.12.2011, BIFR has issued directions to Catholic Syrian Bank Ltd (Monitoring Agency) for modifications of the relief and concessions of MDRS . Catholic Syrian Bank Ltd has submitted the same after duly incorporating the directions of BIFR. The company is awaiting for further BIFR directions. Hence the agenda number 5 to 8 in the notice have emerged.

AUDIT COMMITTEE :

Pursuant to provision of Section 292A of the Companies Act.1956, the audit committee constituted last year comprising of Sri. V.R. Gupta, Sri. K. Venkatasubramaniam, Ms. C.R. Padma discussed and given useful suggestions in the implementation of the accounting standards and the quickening process of internal check and audit.

STOCK EXCHANGES :

Your company is listed with Coimbatore, Mumbai, Calcutta and Delhi Stock Exchanges. The Corporate Governance Report of your company as on 31.3.2012 is enclosed for your perusal as Annexure – II.

ACKNOWLEDGEMENT :

The Board wishes to place on record of their appreciation for the good work done by the employees of the company. It takes the pleasure of recording the services rendered by the MA and B I F R for and on the revamping exercise of the company.

Place : Coimbatore
Date : 31.05.2012

On behalf of the Board.
V.R. GUPTA
Chairman

**ANNEXURE TO DIRECTORS' REPORT :**

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :

A. CONSERVATION OF ENERGY**a) ENERGY CONSERVATION MEASURES TAKEN :**

The Company has installed imported machines, which minimise the energy required for production. Further high efficiency power capacitors have been installed in close proximity to the load centres to curtail power losses and to maintain the power factor.

b) ADDITIONAL INVESTMENTS & PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY :

The Company has selectively chosen its machinery with a view to attain maximum production with the minimum consumption of energy. If any further measures are warranted to be undertaken, it will be undertaken in the current year.

c) IMPACT OF THE MEASURES (A)&(B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON COST OF PRODUCTION OF GOODS:

Because of the installation of high efficiency machines, there has been considerable saving of energy.

d) FORM A : PARTICULARS WITH RESPECT TO ENERGY CONSERVATION :**I. POWER AND FUEL CONSUMPTION :**

	Current Year	Previous Year
1. Electricity :		
a) Purchased Units	748848	870556
Total Amount (with tariff Concession) Rs.	4015972	4401088
Rate per unit Rs.	5.36	5.06
b) Own Generation		
i) Through Diesel Generator	nil	nil
Units/Litre of Diesel		
Total Amount		
Cost/Unit		
ii) Through Steam Turbine/Generator		
2. Coal	nil	nil
3. Furnace Oil	nil	nil
4. Others/Internal Generation	nil	nil

II. CONSUMPTION PER UNIT OF PRODUCTION :

Product	Standard (if any)	Current Year	Previous Year
COTTON GREY FABRIC			
Fabric Production	(in Mts)	707896	853986
Electricity Units (Units/mt of fabric)		1.06	1.02

**B. TECHNOLOGY ABSORPTION :****e) FORM B :PARTICULARS WITH RESPECT TO ABSORPTION OF RESEARCH AND DEVELOPMENT (R&D)**

- | | |
|---|-----|
| 1. Specific areas in which R & D carried out by the Company : | NIL |
| 2. Benefits derived as a results of above R & D. : | NIL |
| 3. Future Plans of Action on Research and Development Etc. : | NIL |
| 4. Expenditure on R & D : | NIL |
| 5. Technology Absopction, Adaptation & Innovation : | NIL |

i) Efforts in Brief, made towards technology absorption, adaptation & innovation :

All the machinery installed are of the latest technology available in the field of fabric manufacture. To exploit the hi tech machines, suitable training is being given to the employees. If any improved versions of these machines are being developed, such devices will be replaced wherever possible.

ii) Benefits derived as a result of above efforts :

The productivity is higher resulting in production of Quality fabrics which are well accepted in the market within a short span of time.

iii) Impoted Technology :

Open – End spinning machines and shuttleless weaving (airjet) looms with micro processor controls have been installed. This imported technology has been well absorbed in weaving.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	CURRENT YEAR	PREVIOUS YEAR
i) Total Foreign Exchange used : Remittance in foreign currency on account of travel,training etc. Remittance in Foreign Currency on account of purchase of Machinery and Spares (US\$)	NIL	NIL
ii) Total Foreign Exchange Earned FOB value of Exports	NIL	NIL

Place : Coimbatore

Date : 31.05.2012

On behalf of the Board.

V.R. GUPTA
Chairman

**ANNEXURE - II
REPORT ON CORPORATE GOVERNANCE****A. MANDATORY REQUIREMENTS****1. Company's Philosophy of Corporate Governance**

The company firmly believes in good Corporate Governance and envisages the attainment of transparency in all matter of Management of the company and in reporting to Share holders and all other concerned.

2. Board of Directors

(a) The Board of Directors consists of 5 Directors, of whom 3 are Non Executive Directors.

(b) Attendance of each Directors at the Board Meeting and the Last Annual General Meeting (AGM)

Name of the Directors	Category of Directorship	No. of Board Meeting attended & Attendance at the Last AGM BM	AGM	No. of Committee meetings attended Audit & Investor Grievance
Mr. V.R. Gupta (Chairman)	Non-Executive Non -independent	5	No	AUDIT - 3 INVESTOR - 6
Mr. A.K. Gupta (Vice Chairman - and Managing Director)	Executive & Non-independent	5	Yes	NA
Mr. K. Venkatasubramaniam	Non-Executive & Independent	5	Yes	AUDIT - 4 INVESTOR - 6
Miss. C.R. Padma	Non-Executive & Independent	5	Yes	AUDIT - 4
Mr. Ravindra Kumar	Executive & Independent	5	Yes	INVESTOR-6

(c) Number of other Companies or Committee the Directors of the Company is Director / Member / Chairman

Details are provided in the notice part of this annual report.

(d) Details of Board Meeting held during the period from 01.04.2011 to 31.03.2012

Board meetings were held during 2011-2012 on 30.5.2011 , 30.7.2011 , 31.10.2011 , 31.1.2012 and 31.3.2012

3. Audit Committee

The Audit Committee as of 31st March 2012 comprises of Mr. V.R.Gupta, Miss. C. R. Padma and Mr.K.Venkatasubramaniam all of whom are Non-executive Directors. Mr.K.Venkatasubramaniam a non executive independent Director who has good financial and Accounting knowledge, is the chairman of the committee. The role and terms of reference of the audit committee covers the areas mentioned under Clause 49 of listing Agreement and section 292A of The Companies Act, 1956.

The Audit Committee met 4 times during the year with full quorum. The Chairman of the Audit Committee, K.Venkatasubramaniam was present at the Annual General Meeting of the Company held on 27th July 2011

4. Remuneration Committee

No remuneration committee was formed since nobody in the Board is paid any remuneration during the year. The company intends forming the same once the necessity arises.

**5. Investors' Grievance and Share Transfer committee and Meeting Attendance**

The following are the terms of reference of the Share Transfer committee :

- a. To approve and registrar, transfer and transmission of equity shares
- b. To register power of attorney or any similar documents.
- c. To subdivide, split, consolidate and issue share certificates.
- d. To affix or authorize affixation of common seal of the company on share certificates and
- e. To do all such acts, things and deeds as may be necessary and incidental to the exercise of the power provided that in doing so the committee shall comply with the provisions of the Companies Act, Depositories Act, Listing Agreement, Securities Contracts (regulation) Act and all other applicable laws.

The Committee consists of 3 Independent Directors namely Mr. K.Venkatasubramaniam, Mr.R Ravindra Kumar and Mr. V R Gupta. Mr. V R Gupta heads the committee.

As on 31st MARCH, 2012 no share transfer request is pending for registration with the company.

During the year 2011-2012, complaint's received from share holder's have been redressed to the satisfaction of the complainant within 16 days of the receipt. There were no outstanding complaint's as on 31st MARCH 2012.

6. Annual General Meeting

- (i) Location and time of Last three Annual general Meetings

Financial Year Ending	Date	Time	Venue
31st March 2009	30.9.2009	5.00 P.M.	Rajasthani Sangh,Coimbatore
31st March 2010	21.7.2010	4.00 P.M.	Rajasthani Sangh,Coimbatore
31st March 2011	27.7.2011	4.00 P.M.	Rajasthani Sangh,Coimbatore

7. (a) Disclosures

- The Company had not entered into any transaction of a material nature which will have a conflict with its interest during the year.
- Full disclosure of related party transaction as per Accounting standard 18 issued by the institute of Chartered Accountants of India is given under Notes on the Annual Accounts. All the transaction covered under related party transaction were fair, transparent and at arms length.
- During the last three years there were no structures of penalties imposed by either the Security Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

8. Means of Communication

- (i) Half yearly report sent to each household of Share holders. No
- (ii) Quarterly, Half yearly unaudited financial results normally published in Trinity Mirror Makkal Kural, floratextiles.in
- (iii) Any website where results are displayed
- (iv) Presentation made to Institutional Investor or to the Analysts None
- (i) Whether Management discussion and Analysis report is a part of the Annual Report or not Yes



FLORA TEXTILES LIMITED

9. General Share Holders Information :

- a. AGM information :- As available in page no.1
b. Financial Calendar (tentative)

Result for the Quarter Ending 30th June 2012	Last week of July 2012
Result for the Quarter Ending 30th September 2012	Last week of October 2012
Result for the Quarter Ending 31st December 2012	Last week of January 2013
Result for the Year Ending 31st March 2013	Last week of May 2013

- c. Book Closure Date : 1st August 2012 to 8th August 2012
d. Dividend payment date : N.A.
e. Listing on Stock Exchanges : Coimbatore, Mumbai , Calcutta and Delhi
- f. Stock Code :
- (i) Scrip code in Mumbai Stock
Exchange trading symbol in NSE - : 530705 , FLORATX
(ii) ISIN Number in NSDL & CDSL for - : NOT ALLOTTED
Equity Shares
- g. Stock Market Data : No trading has happened during the year 2011-2012
- h. Registrar and Transfer Agents : The Company handles the physical transfer of Shares directly.
- i. Share Transfer System :
- The Equity Shares of the company are not yet dematted. CDSL vide their letter CDSL/ADM-ISS/AK-VJ/2010/428 DT 10.12.2010 has rejected our application for demat of shares as the networth of the company is negative.
- The Share Transfers which are received in physical form are processed and the share certificate are returned within 21 days from the date of receipt, subject to the Documents being valid and completed in all respects.

j. Share Holding Pattern as on 31.03.2011

Sl.no.	Category	No. of Shares	% (Percentage)
1.	Indian Promoters	3331800	55.53
2.	Mutual funds and UTI	600100	10.00
3.	Banks, Financial Institutions, Insurance Companies	180000	3.00
4.	Private Corporate bodies	32300	0.54
5.	Indian Public	1390800	23.18
6.	NRIs / OCBs	465000	7.75
		6000000	100



FLORA TEXTILES LIMITED

- k. Dematerialization of shares and Liquidity : There were no dematerialization of shares during the year
- l. Plant Location : S.F.No.498 - A/c,
Moopparipalayam Village
Kaduvettipalyam (Post)
Karumathampatti - Annur Road
Palladam Taluk
Coimbatore - 641 659
Tamil Nadu
- m. Particulars of Compliance officer and Address for Correspondenc : Mr Hemant Kumar
23 Bharathi Park road,
Coimbatore-641043. Tamil Nadu
Ph: 0422 3535393
Email : floratex1@gmail.com
- n. Website of the company : floratextiles.in

10. NON - MANDATORY REQUIREMENTS

The company is taking steps to comply with the non-mandatory requirements. The Board wishes to assure that all non-mandatory disclosure requirements would be fully complied in the future years

For & on behalf of the Board of Directors

-Sd-

A K Gupta

Vice Chairman & Managing Director

Place: Coimbatore

Date : 31.05.2012



FLORA TEXTILES LIMITED

CEO/CFO CERTIFICATION

To The Board of Directors
Flora Textiles Limited

In regard to annual accounts of the company for the financial year 1st April 2011 to 31st March 2012, we hereby certify that and that to the best of our knowledge and belief :

- a. We have reviewed the financial statements and the cash flow statement of the company for the year 2011-12.
 - i. These financial statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - ii. These financial statements together present a true and fair view of the company's affairs and are in compliance with existing account standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
- c. We are responsible 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, deficiencies in the design or operation of such internal control if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed to the Auditor and the Audit Committee.
 - i) Significant changes in internal control over financial reporting during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company. Internal control system over financial reporting.

K.Venkatasubramaniam
Chief Financial Officer

A.K.Gupta
Vice Chariman & Managing Director

Place: Coimbatore
Date: 31.05.2012

DECLARATION BY THE CEO UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT.

To the Members of
Flora Textiles Limited

I, A.K.Gupta, Vice Chairman and Managing Director of the Company to be best of my knowledge and belief, declare that all the members of the Board of Directors and Senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2012

Place : Coimbatore
Date : 31.05.2012

On Behalf of the Board
A.K.GUPTA
Vice Chariman & Managing Director.



FLORA TEXTILES LIMITED

DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND STAFF WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the company has adopted a Code of Conduct for its Board and Staff of the Company and a declaration to the effect that the same have been completed with has been received from them in respect of the Financial year 31st March 2012

Place : Coimbatore

Date : 31.05.2012

On Behalf of the Board

V.R..GUPTA

Chairman

COMPLIANCE CERTIFICATION FROM THE AUDITORS OF THE COMPANY.

To

The members of Flora Textiles Limited

We have examined the compliance of the conditions of Corporate Governance by Flora Textiles Limited for the year ended March 2012 as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges in India.

The compliance of condition of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

We have conducted our review on the basis of relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion to the best of our informational and according to the explanations given to us, the Company has complied with condition of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended March 2012, no investor grievance are pending against the Company's as on May 31, 2012 as per the records maintained by the company and presented to the Investor / Shareholders Grievance Committee.

We further state 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.

Place : Coimbatore

Date : 31.05.2012

For ANJANA & CO

(FRN No. 006724S)

Chartered Accountants

PRAVIN KUMAR MAHESHWARI

Partner

(Membership No. 26866)



ANNEXURE III MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Outlook:

Increase in the frequency of power cut and quality of power in Tamil Nadu had claimed their share in the path to recovery for your company. Rising interest rates, persistent inflation, spiraling fuel prices, frequency in the fluctuation of raw material prices continues to be the areas of concern. Nevertheless your company is taking all necessary steps to ensure that the financial performance for the year 2012-2013 is improved.

2. Opportunities:

The 12th five year plan promises high growth for industry segments like power generation, petro-chemicals and infrastructure building industries which is expected to generate good potential for the industry.

3. Challenges:

- i) Improvement in international scenario to cause demand momentum.
- ii) Availability of good quality cotton Yarn at reasonable prices unaffected by any influence of cotton yarn exports.
- iii) High power cut in the state of Tamilnadu virtually resulting huge production loss.
- iv) Abnormal increase in the rate on interest by the lending banks.
- v) Appreciation of quality of cotton fabric manufactured and remunerative prices for the same.
- vi) Disproportionate increase in weaving capacity and manufacturing of cotton fabric without focus to market demand.
- vii) Government policies.

The general demand recession witnessed has impacted the performance of the textile industry as manufacturers are not in a position to put their plants in full operation. This has resulted in under performance of the industry as a whole. The situation has not been any improvement to facilitate the performance of the units.

4. Company Outlook:

As relief has been given by BIFR towards DGFT and increase in working capital to be given by the bank after extension of EPCG licences, the company is trying to do exports.

5. Internal control, systems and adequacy:

The company periodically reviews the adequency and effectiveness of control systems like business process, financial reporting and compliance with applicable laws.



6. Human Resources Development.

Employer- Employee relations continued to remain cordial during the year.

7. Safety and Environment:

The company ensures high safety and environmental standards in all its operation at all the units. Safety needs are continuously monitored and preventive actions are initiated through departmental safety committees consisting of plant staff and workmen.

8. Cautionary statement.

Certain statement in this report on Management Discussion may be forwarded looking statements and which have been issued as required by applicable securities laws and regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results could be different from that envisaged.

For & on behalf of the Board of Directors

-Sd-

A K Gupta

Vice Chairman & Managing Director

Place : Coimbatore

Date: 31.05.2012



FLORA TEXTILES LIMITED

REPORT OF THE AUDITOR TO SHARE HOLDERS

We have audited the attached Balance Sheet of Flora Textiles Limited as at 31st March 2012, the Profit and Loss Account for the year ended and Cash flow statement on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003, issued by the Government of India in terms of sub – section (4A) of Section 227 of The Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paras 4 & 5 of the said order.
3. We further report that:
 - (a) We have obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion. Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of accounts of the company.
 - (d) In our opinion, the Profit & Loss account, Balance Sheet and Cash flow statement dealt with by this report comply with Accounting Standards specified by The Institute of Chartered Accountants of India referred to in sub-section 3 (C) of Section 211 of the Companies Act, 1956.
 - (e) Based on the representations made by the Directors as on March 31, 2012 and taken on record by the Board of Directors of the company and information and explanation given to us, none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and other notes, thereon gives the information required by Companies Act, 1956, in the manner so required and present 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 31st March 2012
 - (b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.
 - (c) In the case of the Cash flow statement for the year ended on that date.

For ANJANA & CO
(FRN No. 006724S)
Chartered Accountants
PRAVIN KUMAR MAHESHWARI
Partner
(Membership No. 26866)

ANNEXURE REFERRED TO IN PARAGRAPH (2) OF OUR AUDIT REPORT OF EVEN DATE OF FLORA TEXTILES LIMITED

- I.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets.
 - (b) As explained to us, according to the practice of the company fixed assets are physically verified by the management at reasonable intervals in a phased verification programme, which in our opinion, is reasonable looking at the size of the company and the nature of its business. During the year, as informed to us no material discrepancies have been notified on such verification.
 - (c) During the year, the company has not disposed off substantial part of its fixed assets so as to affect its going concern;
- II.
 - a) As explained to us the inventories have been physically verified during the year, by the Management.
 - b) The procedures, as explained to us which are followed by the management for physical verification of inventories are in our opinion adequate in relation to the size of the company and the nature of the business.



FLORA TEXTILES LIMITED

- c) The company is maintaining proper records of inventory and it is told to us that the discrepancies that were noticed in the course of physical verification have been properly dealt with in the book of accounts
- III The Company has not granted/taken any loan secured or unsecured to/from companies Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence matters regarding rate of interest, terms and conditions of loans, repayments and overdue amounts more than one lakh of rupees are not applicable.
- IV In our opinion and according to the information given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods. During the course of audit no major weakness has been noticed in the Internal Controls.
- V As explained to us, during the year there has not been any transactions required to be entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.5,00,000/- or more in respect of each such party.
- VI The company has not accepted deposits from the public and hence the provisions of Section 58 A of the Companies Act, 1956 and the rules framed there under are not applicable. In the company case, the Company Law Board has passed no order.
- VII In our opinion the company has an internal audit system commensurate with the size and the nature of its business.
- VIII In our opinion, and according to the information given to us the provisional of Section 209 (1) (d) of the Companies Act 1956, are not applicable to the company.
- IX (a) According to the records, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees state Insurance, Income tax, Sales tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. There are no undisputed statutory dues that are outstanding at the end of the Financial year which have been due by more than 6 months.
- (b) On the basis of our examination of the documents and records, the disputed statutory dues that have not been deposited with the appropriate authorities are as under:

Nature of the Dues	Amount in Rs.	Forum where Dispute is pending
1. Customs Duty	7120395	C E G A T

- X As the Accumulated Losses exceed the Net Worth of the Company, the Company remains a Sick Industrial Company within the meaning of Sick Industrial Company (Special Provisions) Act, 1985. It has incurred Cash Losses in the Current Financial year.
- XI On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to Financial institutions, Banks or Debenture Holders.
- XII As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities and hence maintenance of documents and records relating to such items are not applicable.
- XIII The provisions of any special status applicable to chit funds are not applicable as the company is not a nidhi/ has a mutual benefit fund/ society.
- XIV In respect of investments dealt or traded by the company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All investments are held by the company in its own name.
- XV The company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI The company has not taken any term loan during the year covered by our audit.
- XVII Based on our examination of the books of accounts and Balance Sheet of the company we are of the opinion that funds raised on short term basis have not been used for long term investment.
- XVIII The company has not made any preferential allotments of shares during the year.
- XIX The company has not issued any debenture during the year.
- XX The company has not raised any money by public issues during the year.
- XXI Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Coimbatore
Date : 31.05.2012

For ANJANA & CO
(FRN No. 006724S)
Chartered Accountants
PRAVIN KUMAR MAHESHWARI
Partner
(Membership No. 26866)



Flora Textiles Limited

BALANCE SHEET AS AT 31st MARCH 2012

Rs in 000

	Note No.	Current Year As at 31.3.2012 Rs.	Last Year As at 31.3.2011 Rs.
I EQUITY AND LIABILITIES			
1.SHAREHOLDERS FUNDS			
(a)Share Capital	2	60,000.00	60,000.00
(b)Reserves and Surplus	3	(145,527.15)	(136,356.28)
2.NON-CURRENT LIABILITIES			
(a)Long-term borrowings		-	-
3. CURRENT LIABILITIES			
(a)Short-term borrowings	4	90,287.73	80,752.61
(b)Trade Payables	5	4,822.15	7,437.69
(c)Other Current liabilities	6	27,204.64	27,220.18
(d) Short Term Provisions		-	-
TOTAL		36,787.38	39,054.19
II ASSETS			
NON-CURRENT ASSETS			
1. (a)Fixed Asstes	7		
(i)Tangible Assets		8,563.33	9,386.83
(ii)Intangible Assets		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances		-	-
(e) Other non-current Assets		-	-
2. CURRENT ASSETS			
(a)Inventories	8	6,278.54	10,796.62
(b)Trade receivables	9	17,326.88	13,539.29
(c)Cash and cash equivalents	10	3,374.43	4,101.80
(d)Short - term loans and advances	11	1,244.19	1,229.66
TOTAL		36,787.38	39,054.19
Summary of significant accounting policies	1		
The accompanying notes form an integral part of financial statements			

Subject to our reports of even date attached
For **ANJANA & CO** (FRN No. 006724S)
Chartered Accountants
PRAVIN KUMAR MAHESHWARI
(Membership No. 26866)
Partner

ON BEHALF OF THE BOARD

V.R. GUPTA
Chairman

A.K. GUPTA
Managing Director

Place : Coimbatore
Date : 31.05.2012



Flora Textiles Limited

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

	Note No.	Current Year As at 31.3.2012 Rs.	Last Year As at 31.3.2011 Rs.
INCOME			
I Revenue from operations (net)	12	41,029.77	55,404.51
II Other income	13	267.46	622.27
III TOTAL REVENUE(I+II)		41,297.23	56,026.78
IV EXPENSES			
a. Cost of materials consumed	14	27,357.93	37,660.54
b. Changes in inventories of finished goods, and work-in-progress	15	4,279.90	(0.65)
c. Employee benefits expense	16	4,096.34	3,827.30
d. Finance costs	17	3,964.65	3,646.22
e. Depreciation and amortization expense		870.00	888.69
f. Other expenses	18	9,899.27	11,429.16
TOTAL EXPENSES		50,468.09	57,451.26
V PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)		(9,170.86)	(1,424.48)
VI EXCEPTIONAL ITEMS		-	-
VII PROFIT/(LOSS) BEFORE TAX (V-VI)		(9,170.86)	(1,424.48)
VIII TAX EXPENSE			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
IX PROFIT/(LOSS) FOR THE YEAR (VII-VIII)		(9,170.86)	(1,424.48)
X EARNINGS PER EQUITY SHARE OF RS10/- EACH			
(1) Basic	19	(0.15)	(0.02)
(2) Diluted			
The accompanying notes are an integral part of the financial statements			

Subject to our reports of even date attached
For **ANJANA & CO** (FRN No. 006724S)
Chartered Accountants
PRAVIN KUMAR MAHESHWARI
(Membership No. 26866)
Partner

ON BEHALF OF THE BOARD

V.R. GUPTA
Chairman

A.K. GUPTA
Managing Director

Place : Coimbatore
Date : 31.05.2012



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Accounting convention :

The financial statements have been prepared under Historical Cost Convention on the basis of going concern and in accordance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956, wherever applicable.

II. Fixed Assets & Depreciation

- a) Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Costs include pre-operative expenses and all expenses related to acquisition and installation of the assets concerned.
- b) Depreciation on Plant and Machinery, Motor Cars, Trucks and Vans has been provided on Straight-line method at the rates specified in the Schedule XIV of the Companies Act, 1956. Depreciation on tolls and dies are provided on the basis of useful life as determined by the Company.

Depreciation in respect of other assets has been calculated on written down value method as per the rates specified in Schedule XIV of the Companies Act, 1956.

- c) As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine;
 - i. The provision for impairment loss, if any, required or;
 - ii. The reversal, if any, required for impairment loss recognized in previous periods, impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

III Valuation of Inventories

- a) Inventories are valued at lower cost and estimated net realizable value. Cost is arrived at on weighted average basis.
- b) The basis of determining cost for various categories of inventories are as follows:
 - i. Raw Materials, Packing Materials and Stores and spares : Weighted Average basis.
 - ii. Finished Goods and Work-in-Progress : Cost of Direct, Material, Labour and other Manufacturing overheads.

IV Revenue Recognition

- a) The company generally follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- b) Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods.
- c) Claims made by the company and those made on the company are recognized in the Profit and Loss Account as and when the claims are accepted.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

V. Research and Development

Revenue expenditure on Research and Development is charged under respective heads of account. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

VI. 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) Post employment and other long term benefits which are defined benefit plans are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered service. The expense is recognized based on the present value of the obligation determined in accordance with Revised Accounting Standard 15 on Employee Benefits. Actuarial gains & Losses are charged to the Profit and Loss Account.
- c) Payment to defined contribution schemes are charged as expense as and when incurred.
- d) Termination benefits are recognized expense as and when incurred.

VII. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All other borrowing costs are charged to revenue. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale.

VIII. Taxes on Income

Current tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment / appeals. Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

IX. Cash flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

X. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

XI. Accounting Standards

Accounting Standards prescribed under Section 211 (3c) of the Companies Act, 1956, have been followed wherever applicable.



Flora Textiles Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

	Current Year As at 31.3.2012 Rs.	Last Year As at 31.3.2011 Rs.
EQUITY AND LIABILITES		
NOTE 2.SHARE HOLDERS FUNDS		
SHARE CAPITAL		
Authorised :		
60,00,000 Equity Shares of Rs.10/-each	60000.00	60000.00
Issued, Subscribed and Fully Paid up		
60,00,000 Equity Shares of Rs.10/-each	60000.00	60000.00

a. Terms/Rights attached to Equity shares

The company has only one class of equity shares having par value of Rs10/- per share. Each share holder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion of their shareholding.

b. Reconciliation of the number of shares outstanding and the amount of Share Capital as at March 31 2012 and March 31 2011

Equity shares (issued Capital)	As at 31.3.2012	As at 31.3.2011
Shares outstanding at the beginning of the year (Nos.)	6000000	6000000
Shares issued during the year	-	-
Shares outstanding at the end of the year (Nos.)	6000000	6000000

c. Details of Shareholders holding more than 5% shares in the company

S.No.	Name of the share holder	As At March 2012		As At March 2011	
		No of shares	% of Holding	No of shares	% of Holding
1	Sri A.K..Gupta	818,996	13.65	818,996	13.65
2	Smt.Indra gupta	811,102	13.52	811,102	13.52
3	Sri Aditya kumar Gupta	816,301	13.61	816,301	13.61
4	Smt.Nidhi Gupta	817,401	13.62	817,401	13.62

NOTE-3 -RESERVES AND SURPLUS

Loss carried forward last year	136356.28
Add : Loss for the year	9170.86
Loss carried forward	145527.15



Flora Textiles Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

NOTE-4- SHORT TERM BORROWINGS

	As at 31.3.2012	As at 31.3.2011
Secured		
(a) Cash Credit loan From Banks		
- Catholic Syrian bank Ltd	3068.96	1954.91
Unsecured		
(a) Loans and advances from related parties		
- M/s Nithya estates and deveopers India Pvt Ltd	61644.51	53208.33
- Minolta Securities Limited	25574.26	25589.36
Total	87218.77	78797.69
TOTAL	90287.73	80752.61

i. Working capital loan from Catholic Syrian Bank Ltd. carries an interest @ 14.5% -18.5%and are primarily secured by hypothecation of inventories and book debts of the company.

ii Intercompany deposits from Nithya Estates and Developers India Pvt Ltd carries interest @ 6% p.a. repayable on demand

NOTE- 5-TRADE PAYABLES

	As at 31.3.2012	As at 31.3.2011
liability for purchases	1958.32	4640.80
liability for expenses	2474.01	2411.92
liability for Finance	389.81	384.97
Total	4822.15	7437.69

NOTE-6- OTHER CURRENT LIABILITIES

	As at 31.3.2012	As at 31.3.2011
Advance from customers	204.64	220.18
Share Application Money	27000.00	27000.00
Total	27204.64	27220.18



Flora Textiles Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

NOTE-7-FIXED ASSETS

Sl No	Description of Assets	Cost as		Deletions	Cost as On 31.03.2012	DEPRECIATION			Net Block as on 31.03.2012	Net Block as on 31.03.2011	
		On 01.04.2011	Additions			Upto 31.03.2011	For the year	Added back			Total
	a. TANGIBLE ASSETS (Not covered by lease)										
1	Land & Site Development	470.24			470.24	0.00	0.00		0.00	470.24	470.24
2	Furniture and Fittings	537.10			537.10	537.10	0.00		537.10	0.00	0.00
3	Electrical Fittings	33.21			33.21	25.45	1.58		27.03	6.18	7.76
4	office equipments	730.93	46.50		777.43	510.11	72.04		582.14	195.29	220.83
5	Vehicles	442.61			442.61	194.23	42.05		236.28	206.34	248.38
6	Borewell	70.12			70.12	53.44	3.33		56.77	13.35	16.68
7	Plant & Machinery	130,215.06			130,215.06	128,635.41	289.31		128,924.72	1,290.34	1,579.65
8	Building	13,823.39			13,823.39	6,980.11	461.70		7,441.81	6,381.58	6,843.28
	Sub Total	146,322.67	46.50	0.00	146,369.17	136,935.84	870.00	0.00	137,805.84	8,563.33	9,386.83
	b. Intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Assets	146,322.67	46.50	0.00	146,369.17	136,935.84	870.00	0	137,805.84	8,563.33	9,386.83
	Previous year	146166.366	156.28	0.00	146,322.67	136,047.15	888.69	0.00	136,935.84	9,386.83	10,119.23



Flora Textiles Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

CURRENT ASSETS

NOTE-8 INVENTORIES

(values at lower of cost and net realisable value)

	As at 31.3.2012	As at 31.3.2011
Raw Materials	415.84	554.53
Finished Goods	4924.62	9298.86
Work in Progress	785.65	691.31
Consumables and Stores	152.43	251.92
Total	6278.54	10796.62

NOTE 9 TRADE RECEIVABLES

	As at 31.3.2012	As at 31.3.2011
Trade Receivables outstanding for a period less than six months from the date they are due for payment Unsecured considered good	9061.64	8620.66
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured considered good	8265.25	4918.63
Total	17326.88	13539.29

NOTE 10 CASH AND CASH EQUIVALENTS

	As at 31.3.2012	As at 31.3.2011
a. Balance with banks	49.69	931.31
b. Cash on hand	15.13	62.44
C. Fixed deposit with banks against bank guarantee	3309.61	3108.04
Total	3374.43	4101.80

NOTE 11 SHORT TERM LOANS AND ADVANCES

	As at 31.3.2012	As at 31.3.2011
Prepaid expenses	73.37	64.12
Staff Advances	32.78	59.18
Balance with Statutory / govt authorities	1138.04	1106.36
Advance to creditors		
Total	1244.19	1229.66



Flora Textiles Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

NOTE 12- REVENUE	As at 31.3.2012	As at 31.3.2011
Revenue from Operations		
Sale of Products	40066.91	54636.67
Sale of services	936.62	725.04
Other operating revenue		
Waste sales	26.24	42.80
Revenue from Operations (net)	41029.77	55404.51
Details of Products sold		
Manufactured Goods		
Fabric	40066.91	54636.67
Details of services rendered		
Fabric-Job Work	936.62	725.04
NOTE13-OTHER INCOME	As at 31.3.2012	As at 31.3.2011
Interest income on deposits	267.46	622.27
NOTE 14 - COST OF RAWMATERIALS AND COMPONENTS CONSUMED	As at 31.3.2012	As at 31.3.2011
Inventory at the beginning of theyear	554.53	1070.43
Ass : Purchases	27219.24	37144.65
Less: Inventory at the end of the year	415.84	554.53
Cost of raw material and components consumed	27357.93	37660.54
Details of raw materials and components consumed		
Yarn	27357.93	37660.54
NOTE 15 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	As at 31.3.2012	As at 31.3.2011
Details of change in inventory		
Inventory at the end of the year		
Work in progress	785.65	691.31
Finished Goods	4924.62	9298.86
Total	5710.27	9990.17
Inventory at the beginning of the year		
Work in progress	691.31	341.20
Finished Goods	9298.86	9648.32
Total	9990.17	9989.52
(increase)/decrease in inventories	4279.90	(0.65)



Flora Textiles Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

NOTE 16 EMPLOYEE BENEFITS EXPENSES	As at 31.3.2012	As at 31.3.2011
(a) Salaries, Wages, Stipend , Exgratia and Bonus	3,835.75	3,624.86
(b) Contributions to - Provident and other fund	149.12	127.41
(c) Staff Welfare Expenses	111.48	75.03
Total	4,096.34	3,827.30
NOTE 17 FINANCE COST	As at 31.3.2012	As at 31.3.2011
Interest Expenses	3550.75	3343.56
Bank Charges	413.90	302.66
Total	3964.65	3646.22
NOTE18-OTHER EXPENSES	As at 31.3.2012	As at 31.3.2011
Consumption of stores and Spares	255.07	249.55
Power and utilities	4,015.97	4,404.16
Repairs and Maintenance	1,016.70	1,631.46
Yarn sizing charges	1,908.80	2,172.93
Professional and Consultancy Charges	601.81	101.18
Watch and ward expenses	312.84	363.96
Rates and Taxes	32.87	370.58
Travelling and Conveyence	237.28	138.67
Insurance Charges	92.02	92.11
Rent on building	60.00	186.53
Printing & Stationary	70.69	84.55
Postage & Telegram	51.05	48.18
Listing fees	27.58	16.55
Telephone charges	156.43	178.39
Miscellaneous expenditure	215.95	154.21
Rebate	118.14	138.39
Advertisement	5.49	25.01
Selling and distribution expenses	675.63	1,023.81
Total	9,854.33	11,380.19
Payments to Auditor :		
a.For Statutory Audit	44.94	48.96
Total	9,899.27	11,429.16
NOTE 19 EARNINGS PER SHARE	As at 31.3.2012	As at 31.3.2011
Profit/(loss) after taxation as per Profit and Loss Account	(9170.86)	(1424.48)
Number of equity shares outstanding	60000	60000
Basic and diluted earnings per share in rupee	(0.15)	(0.02)



Flora Textiles Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Rs in 000

A. CASH FLOW FROM OPERATIVE ACTIVITIES	Current Year As at 31.3.2012		Last Year As at 31.3.2011	
	Profit before tax		-9170.86	
Adjustments for				
Depreciation	870.00		888.69	
Interest Income	267.46		622.27	
Interest paid/ other finance charges	-3964.65	-2827.19	-3646.22	-2135.26
Operating profit before working capital changes		-11998.05		-3559.73
Trade and other receivables	-3787.59		-345.51	
Inventories	4518.08		511.21	
Loans and Advances	-14.53		95.63	
Short Term Borrowings	9535.13		-1745.17	
Other Current Liabilities	-15.54		-227.78	
Trade payable	-2615.54	7620.00	2804.51	1092.89
Cash generated from operations		-4378.05		-2466.85
B. CASH FLOW FROM FINANCING ACTIVITIES				
Purchase of fixed Assets	-46.50		-156.28	
Sale of fixed assets				
Interest received	-267.46		-622.27	
Net cash used in investing activities		-313.96		-778.55
C. CASH FLOW FROM FINANCING ACTIVITIES				
Long term Borrowings (net of repayments)				
Unsecured loans	0.00		0.00	
Working capita borrowings				
Interest paid	3964.65		3646.22	
Net cash used in financing activities		3964.65		3646.22
D. Net Increase/(decrease) In cash and cash equivalents (A+B+C)		-727.36		400.82
Opening Balance of cash		4101.80		3700.98
Closing Balance of cash		3374.43		4101.80

ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 31.05.2012

V.R. GUPTA **A.K. GUPTA**
Chairman Managing Director

We have verified the above cash flow statement of FLORA TEXTILES LIMITED derived from the audited annual financial statements for the year ended 31st March 2012 and found the same to be drawn in accordance herewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

Subject to our reports of even date attached
For **ANJANA & CO** (FRN No. 006724S)
Chartered Accountants
PRAVIN KUMAR MAHESHWARI (Membership No. 26866)
Partner

Place : Coimbatore
Date : 31.05.2012



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

20. The Company has not accounted for Deferred Tax in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India. The deferred tax asset on account of opening unabsorbed loss and unabsorbed depreciation has not been recognised as the Company is of the opinion that there is no virtual certainty of realisation of the same.

21. The balance in parties accounts are subject to confirmation and reconciliation, if any. In the opinion of the management all current assets including stock in trade/sundry debtors and loans and advances in the normal course of business would realize the value atleast to the extent stated in the Balance sheet.

22. Based on information available with Company, there are no outstanding dues to small scale undertakings as at the year end.

23. Figures have been rounded to the nearest thousand and decimals thereof.

24. As notified by Ministry of Corporate Affairs, Revised schedule VI under the Companies act 1956 is applicable to the financial statements for the financial year commencing on or after 1st April 2011. Accordingly the financial statements for the year ended March 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures of the previous year have been reclassified to conform to the requirements of Revised Schedule VI.

25. The Company has only one reportable business segment namely manufacture of fabric.

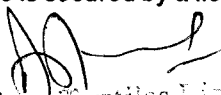
26. The Company is contingently liable to a sum of Rs. 125.84 lakhs for concession in customs duty availed against import of machinery for which the company has undertaken export obligation to the extent of Rs. 2557.06 lakhs due to be performed within a period of 5 years from the date of import. This liability is secured by guarantee executed by the Vysya Bank, Catholic Syrian Bank and Andhra Bank in favour of the Government of India, for which the Company has executed Counter Guarantee to the bankers. The bankers guarantee is secured by a lieu on Fixed Deposits lakhs held by the Company with its bankers.

27. RELATED PARTY DISCLOSURE:

1. RELATED PARTIES :

KEY MANAGEMENT PERSONNEL :

- a. Shri V.R. Gupta – Chairman
- b. Shri A.K. Gupta – Managing Director


For Flora Textiles Limited

Managing Director,

2. RELATED PARTY TRANSACTIONS :

- a. NIL
- b. NIL



FLORA TEXTILES LIMITED

23, Bharathi Park Road, Coimbatore - 641 043.

ATTENDANCE SLIP

Please Hand over this
at the entrance of the
Meeting Hall

Member's Folio Number		No. of Shares held	
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Name of the proxy (in BLOCK LETTERS) to be filled in if the proxy attends instead of the member

I hereby record my presence at the 19th Annual General Meeting held on Wednesday the 8th August, 2012 at 4.00 p.m. at A/C Conference Hall, Rajasthani Sangh, D.B. Road, Coimbatore - 2, Tamiladu.

Member's / Proxy's Signature

Note:

1. A Member / Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance
2. Members are requested to advise, indicating their folio number, change in their address, if any, to the company.



FLORA TEXTILES LIMITED

23, Bharathi Park Road, Coimbatore - 641 043.

PROXY FORM

I/We.....
of being a Member / Member of Flora Textile Limited
hereby appoint of
of failing him of
of failing him of
as my/our proxy to attend and vote for me / us my / our behalf at the 19th Annual General Meeting of
the Company to be held on Wednesday the 8th August, 2012 and at any adjournment there of as
witness my / our hands (s) this day of

Affix
Revenue
Stamp

Signed by the said

Note : The proxy form must be returned so as to reach the Registered Office of the Company at 23, Bharathi Park Road, Coimbatore - 641043, not less than forty - eight hours before the time of holding the aforesaid meeting.

MEMBERS / PROXIES ARE ONLY ALLOWED

If undelivered, Please return to :



FLORA TEXTILES LIMITED

No. 23, Bharathi Park Road

Coimbatore - 641 043 Tamilnadu