

**ANNEXURE B TO THE DIRECTORS' REPORT OF
FLEXITUFF INTERNATIONAL LIMITED**

CORPORATE GOVERNANCE REPORT (F.Y. 2010-11)

I. Company's Philosophy on Code of Corporate Governance

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

II. Board of Directors

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

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

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

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

III. Audit Committee

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

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

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

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

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

IV. Executive Committee

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

On 9th December, 2010 the committee was dissolved.

V. Management Committee

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

2010, 31st December, 2010, 25th January, 2011 and 24th February, 2011. The Management Committee is comprised as under:

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

VI. Share Transfer cum Investor Grievances

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

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

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

VII. IPO COMMITTEE

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

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

VIII. SELECTION COMMITTEE

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

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

IX. Extra Ordinary General Meetings

Year	Date	Venue of the meeting
2008-09	NIL	NIL
2009-10	NIL	NIL
2010-11	04.08.2011	Indore
	08.12.2010	Pithampur
	07.01.2011	Pithampur
	01.02.2011	Pithampur
	25.02.2011	Pithampur

X. General Shareholders' Information

Annual General Meeting

Date: 30th September, 2011

Day: Friday

Time: 11:00 A.M.

Venue: Registered Office

XI. Capital Structure

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

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

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai

Date: 18.06.2011

**Sd/-
Director**

**Sd/-
Director**